

Exhibit 1

The New York Times

ECONOMY

Retail Sales Are Weakest in 35 Years

By STEPHANIE ROSENBLOOM DEC. 4, 2008

The nation's retailers turned in the worst sales figures in at least a generation on Thursday, starting the holiday shopping season with double-digit declines across a broad spectrum of stores.

For many chains, the precipitous sales drops that took hold in September and October got worse, not better, in November, despite relatively strong sales in the few days after Thanksgiving.

The International Council of Shopping Centers, an industry group, described November's figures as the weakest in more than 35 years. Declines were recorded in every retail segment the group tracks, with the biggest coming from department stores, with sales down 13.3 percent compared with November a year ago, and specialty apparel retailers, down 10.4 percent.

Some retailers, though, have begun to figure out how to manage in the bleak environment, selling huge amounts of merchandise at steep discounts to generate cash. That will erode profits, of course. Department store profits will most likely plummet 20 to 60 percent in the final three months of the year, said Bill Dreher, senior retailing analyst with Deutsche Bank Securities. But retailers who are unloading merchandise early in the season are at least demonstrating an ability to take control.

“Even if they’re giving away the product, it reduces inventory levels and keeps the problem from continuing,” Mr. Dreher said. “It shows retailers are being disciplined.”

Retail stocks rallied Thursday as investors interpreted the sales report as showing that, with sufficient discounts, goods can be sold in volume despite the poor economy. The Standard & Poor’s retail index rose 1.5 percent.

The discounts being dangled by stores are the biggest retailing analysts have ever seen. “When did you ever see, on Dec. 1, 70 percent off apparel on the high end?” said Claire Gruppo, managing director of Gruppo, Levey & Company, a New York investment bank. “You just don’t.”

Any retailer that refused to trot out jaw-dropping bargains in November paid the price.

For example, Abercrombie & Fitch, the chain that uses sexy bodies in seductive poses to sell clothes to teenagers and young adults, has refused to get on the discount bandwagon. In November, sales at stores open at least a year, an important measure of retail health, fell a whopping 28 percent for the company, in contrast to a 2 percent increase for the period a year ago.

That is a far worse decline than previous months: Sales at Abercrombie & Fitch stores open at least a year were down 14 percent in September and 20 percent in October.

Saks, on the other hand, has driven consumers into shopping frenzies with eye-popping deals on luxury names like the Armani Collezioni and Zac Posen. The tactic worked: In November, Saks had only a 5.2 percent decline in sales at stores open at least a year, clawing its way up from months of double-digit declines.

Other stores that improved their lot in November took a page from the same playbook. Neiman Marcus, for example, has also been selling luxury goods at startling discounts. Sales at Neiman Marcus stores open at least a year fell 11.8 percent in November — better than the 15.8 percent drop in September and the 27.6 percent dive in October.

“If you don’t understand the consumer and his mood right now and you’re doing things as usual,” said Walter Loeb, president of Loeb Associates, a consultant firm, “you’re not going to get any business.”

Stunning declines have become the norm in retailing since sales first plunged in September amid the financial crisis. The November figures indicate the downturn is migrating to some discount and warehouse stores, some of which even had sales growth in October.

Ken Perkins, president of Retail Metrics, a research firm, said either Wal-Mart Stores was stealing market share from its bargain competitors or the whole sector was softening.

At Target, sales at stores open at least a year tumbled 10.4 percent, in contrast to a 10.8 percent increase a year ago. Sales at Target were down 3 percent in September and 4.8 percent in October.

Sales at Kohl’s stores open at least a year sank 17.5 percent, in contrast to a 10.2 percent increase last year. Sales at Kohl’s stores dropped 5.5 percent in September and 9 percent in October. Sales at Costco were down 5 percent in November after a 7 percent increase in September and a 1 percent dip in October.

Even some stores with October sales increases lost their edge in November. Children’s Place, which had a 4 percent sales increase in October, sank 7 percent in November. Aéropostale, which was up 1 percent in October, was down 5 percent in November.

Of all the major retailers, only Wal-Mart and BJ’s Wholesale Club, two of the country’s best-known discount chains, thrived, in part because of robust grocery sales. Wal-Mart, in fact, enjoyed the biggest grocery sales spike in its history.

With new lines of brand-name merchandise from makers like Sony and Samsung, and with rock-bottom prices and an ability to move high volumes of merchandise, Wal-Mart seems to have cornered the market on Christmas this year.

The company began the critical holiday season by exceeding expectations. Sales at stores open at least a year increased 3.4 percent in November, not including fuel,

compared with a 1.5 percent increase a year ago.

(The company made a point of being subdued in its sales announcement, noting its sadness that a worker, Jdimytai Damour, had been trampled to death at a Wal-Mart in Valley Stream, N.Y., when rowdy shoppers burst through the doors on Black Friday.)

Sales at BJ's Wholesale Club stores were up 4.1 percent in November, not including fuel, compared with a 7.7 percent increase a year ago.

Many retailers were buoyed by sales over Black Friday weekend, which increased about 0.9 percent, compared with a 6.5 percent increase last year, according to ShopperTrak, a research firm. Yet the weekend after Thanksgiving did not account for the majority of retailers' November sales. Results for the month were weakened, many people in retailing said, by the calendar — a later Thanksgiving this year meant fewer post-Thanksgiving shopping days in November.

"The Thanksgiving weekend improvement was not enough to significantly alter the month's outcome," Linda M. Farthing, president and chief executive of Stein Mart, said in a statement on Thursday. "We expect to continue aggressive promotional activity through the remainder of the year."

It was a plan echoed on Thursday by other retailers, like American Eagle Outfitters and Kohl's.

John D. Morris, an analyst with Wachovia whose Holiday Sale Rack Index tracks promotions at specialty mall retailers, said discounts were up 12 percent compared with last year. That may not sound like much, but it is the biggest jump in the decade-long history of the index. Usually, a big promotional period sends the index up 5 percent.

"It's a terrible story for retailers and their margins," said Michael Unger, a principal with Archstone Consulting. "But if you're a consumer looking for a good deal, you will find it."

A version of this article appears in print on , on Page B1 of the New York edition with the headline: Retail Sales Are Weakest In 35 Years.

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Exhibit 2

The worst is yet to come for retail stocks, says former department store executive Jan Kniffen

 [distilInfo.com/retail/2017/07/06/worst-yet-come-retail-stocks-says-former-department-store-executive-jan-kniffen/](https://distilinfo.com/retail/2017/07/06/worst-yet-come-retail-stocks-says-former-department-store-executive-jan-kniffen/)

July 6, 2017

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Retail consultant Jan Kniffen expects many stores will post ugly traffic and sales comparisons this year.

He also expects many more bankruptcies, including Sears as early as next month.

Retail stocks are only going to get uglier, former department store executive Jan Kniffen said Monday.



"I said last year the fourth quarter is going to be the toughest quarter for retailing," the CEO of consulting firm J. Rogers Kniffen Worldwide Enterprises told CNBC. "It's not better this year."

The S&P consumer discretionary sector has fallen about 2.6 percent from one month ago versus the S&P 500's loss of less than half a percent.

Kniffen said on "Squawk on The Street" that many stores will post bad traffic and same-store sales comparisons this year. Even Black Friday won't be enough to save many struggling companies, he said.

All of this is being driven by "things going online," Kniffen added.

Kniffen said he expects many more bankruptcies, including Sears as early as next month, and said more strategic mergers are likely.

In response, Sears said in a statement: "We remain committed to and have taken steps to reduce costs and continue to execute against our transformation." The statement also said the company is making progress to improve operational performance and to enhance liquidity and financial flexibility.

With the Amazon-Whole Foods deal in the works, retailers are preparing for a "huge battle," Kniffen said. "We're going to see online and brick and mortar merge into one big entity."

"It's not like Whole Foods was a great business, and yet it still got bought by Amazon," he added.

The next big disruption in retail may be pharmaceuticals, he said.

Just last week, Walgreens announced plans to buy more than 2,000 Rite Aid locations. It remains to be seen how Amazon might respond, if at all, he said.

"Wouldn't you go to Amazon to let them full your drugs?" Kniffen asked. "[There's] no reason that can't be done online."

Amazon did not immediately respond to CNBC's requests for comment.

Date: July 03, 2017

Source: Cnbc

Exhibit 3

NewsRoom

10/25/18 FD (Fair Disclosure) Wire 11:30:00

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October 25, 2018

Q3 2018 Simon Property Group Inc Earnings Call - Final

Presentation

OPERATOR: Good day, ladies and gentlemen and welcome to the Third Quarter 2018 Simon Property Group, Inc. Earnings Conference Call. (Operator Instructions) As a reminder, this conference call is being recorded.

I would now like to turn the call over to Mr. Tom Ward, Senior Vice President of Investor Relations. Sir, you may begin.

THOMAS WARD, SVP OF IR, SIMON PROPERTY GROUP, INC.: Thank you, Joel. Good morning, everyone and thank you for joining us today. Presenting on today's call is David Simon, Chairman and Chief Executive Officer. Also on the call are: Rick Sokolov, President and Chief Operating Officer; Brian McDade, Chief Financial Officer; and Adam Reuille, Chief Accounting Officer.

Before we begin, a quick reminder that statements made during this call may be deemed forward-looking statements within the meaning of the safe harbor of the Private Securities Litigation Reform Act of 1995, and actual results may differ materially due to a variety of risks, uncertainties and other factors. We refer you to today's press release and our SEC filings for a detailed discussion of the risk factors relating to those forward-looking statements.

Please note that this call includes information that may be accurate only as of today's date. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures are included within the press release and the supplemental information in today's Form 8-K filing. Both the press release and the supplemental information are available on our IR website at investors.simon.com.

For our prepared remarks, I'm pleased to introduce David Simon.

DAVID E. SIMON, CHAIRMAN & CEO, SIMON PROPERTY GROUP, INC.: Good morning. We're pleased to report another record quarter with continued strong operating and financial results. Our investment in our product remains unabated with a long-term view of creating compelling, integrated environments with critical mass that serve as the hub of retail dining, entertainment and socializing within their communities. We completed several significant new developments and redevelopments in the quarter, are under construction on others and announced more transformational mixed-use activity that will further enhance the value of our real estate and grow our cash flow.

Turning to the results. Highlighted FFO by \$1.090 billion or \$3.05 per share, an increase of 5.5% per share compared to the prior year. We continue to grow our cash flow and report solid key operating metrics. Total portfolio of NOI increased 4.1% or approximately \$188 million to date. Comp NOI increased 2.3% for the year-to-date period. Leasing activity remains solid. Average base rent was \$53.88, up 2.8% compared to last year.

The Mall and Premium Outlet recorded leasing spreads of \$7.59 per square foot, an increase of 13.9%. We're pleased that retailer sales momentum continued. In the third quarter, our Mall and Premium Outlets was \$650 compared to \$622 in the prior year period per foot, an increase of 4.5%. And sales were strong across the portfolio in the third quarter.

Retail sales productivity has increased each month over the last 12 consecutive months. Occupancy at the end of the quarter was 95.5% -- I'm sorry, 95.5%, an increase of 80 basis points for the second quarter and an increase of 20 basis points compared to prior years. On an NOI weighted basis, our operating metrics were as follows: retail sales would be \$817 per foot compared to \$650, occupancy would be 96.3% compared to 95.5% and average base minimum rent would be \$71.21 compared to \$53.88.

At the end of September, we opened Denver Premium Outlet centers, fully leased, it's off to a great start. Center is another terrific asset within a great portfolio in a great location in a strong and growing market. Construction continues on 2 international outlets expected to open in 2019 Queretaro, Mexico and Malaga, Spain. And we announced a 50-50 joint venture with Macerich to create Los Angeles Premium Outlets. This will be an exciting project on fantastic real estate and obviously, one of the country's most attractive markets.

Now at the end of the third quarter, redevelopment and expansion projects were ongoing across all of our platforms in the U.S. internationally. And internationally, we started construction on significant expansions of Paju Premium Outlets in Seoul and Tosu Premium Outlets in Japan.

Last week, we held the groundbreaking of our landmark mixed-use transformation at Phipps Plaza that will include Atlanta's first Nobu Hotel and Restaurant, a Class A office building, a life time athletic resort, food hall and outdoor community gathering space, all in the area of one department store that we reclaim. We also announced our transformational vision for Northgate in Seattle. We're thrilled to collaborate with NHL Seattle, make their training center and corporate headquarters an integral element of the reimagined Northgate community. This project is a prime example of our unique ability to repurpose our well-located real estate to create compelling ways for consumers to live, work, play, stay, shop and now skate at our destination.

Now Sears. Over the last several years, as you know, including what we just recently did at Phipps, we have reclaimed a number of our unproductive stores in our -- department stores in our portfolio. The reclamation of unproductive space, specifically some department stores, is an unprecedented opportunity for us to dramatically enhance the productivity of the space, our centers overall, and we will continue to proactively recapture additional stores to further enhance our centers.

The SPG portfolio currently has 33 Sears stores that Sears has closed or announced they will be closed. Of those 33 stores, we have, through proactive action, control 22 of those 33, 5 of which are in our joint venture with Seritage. Of those 17 that we control, Sears will no longer exist in 2019. They will be demolished, replaced and redeveloped.

Now turning back to the 33, Sears owns and controls 5 that will be closing and Seritage controls 6 for the total of 33, not including the ones in our joint venture, and they are -- Seritage is in the process of redeveloping those and are in construction -- under construction with 6 of those former Sears stores. The remaining, we have 29 that are currently operating, 8 are owned by us and leased to Sears, 4 are owned by Seritage and leased to Sears and 17 are owned by Sears.

Turning to capital markets. During the first 9 months, we closed on 13 mortgages, totaling approximately \$3 billion, of which our share is approximately \$1.3 billion with a weighted average interest rate of 3.83%, term of 8.4. We have the highest-investment grade credit rating in the industry. Our net-to-EBITDA was 5.4x. Our interest coverage is 5, which is well in excess of our peers, well in excess on both fronts. Our current liquidity is \$7 billion. We continue to have excess cash flow, which we can reinvest in our businesses.

Today, we announced our dividend of \$2 per share for the fourth quarter, a year-over-year increase of 8.1%, and we're approaching the \$100 per share dividend since we've been public, which we will celebrate in December. So \$100 have been paid to the shareholders roughly in dividends through our public company existence. Our total dividend payment will be \$7.90 in 2018, which is an increase of 10.5% compared to last year.

Now turning to guidance. We once again raised our full year guidance to \$12.09 to \$12.13. Just to keep in mind, this is an updated range compared to our -- updated range includes -- compared to our original guidance of \$11.90 to \$12.02. And this range -- this new range is a growth of approximately 7.9% to 8.2% compared to our reported FFO of last year.

So we're ready for questions but before I turn that over, we had a very strong quarter, and we continue to grow our cash flow.

Questions and Answers

OPERATOR: (Operator Instructions) Our first question comes from Steve Sakwa with Evercore ISI.

STEPHEN THOMAS SAKWA, SENIOR MD & SENIOR EQUITY RESEARCH ANALYST, EVERCORE ISI INSTITUTIONAL EQUITIES, RESEARCH DIVISION: I just wondered, if you or Rick could just talk maybe a little bit about the leasing environment. And as you sit here today, looking forward, maybe just reflect on the last year and how you felt maybe a year ago and just sort of give us a flavor for the leasing environment?

DAVID E. SIMON: Well, we tend to take a longer-term view. So we can talk about quarter-to-quarter or even year-to-year. But as you know, we take a longer-term view. And I would say, certainly our long-term view has not changed. The activity has increased from '17 to '18. I think there is clearly -- for the retailers that are investing in their product, there is increased sales, as you know. We showed you that. And I'd say, it's certainly generally better than last year. But again, you got to take a longer-term view. We have more activity going on. There is more new concepts on the restaurant, entertainment, overall retail. You got the folks that start out on the Internet that want to own physical stores. So I'd say, generally the environment is better. But as you know, we never really were overly concerned about maybe a less robust leasing environment in '17 because we tend to take longer-term views of this. Happy for Rick to add anything he would like to this.

RICHARD S. SOKOLOV, PRESIDENT, COO & DIRECTOR, SIMON PROPERTY GROUP, INC.: The only thing that I would add is that, there is, I sense, an acceleration. Last year at this time, I think people were talking but there was less aggressive approach to opening new stores. I think, as David said, the people that are well positioned are now more encouraged to open stores. Obviously, sales are better. The profitability is better, and we are very well positioned. We don't talk about it a lot but every day, every one of our properties is getting better because of the capital we're spending.

STEPHEN THOMAS SAKWA: Okay. David, secondly, I just noticed on the leasing spreads information you provided on Page 22 of the supplemental. There was a pretty big jump in the square footage of openings and a pretty sharp decline in the average rent per foot. I realize these are trailing 12-month figures but it almost appears like maybe a different set of assets is being compared now. Do you have any comments on that?

DAVID E. SIMON: Sure. We're -- again, I -- what's the most important thing that I focus on, just so we're clear.

STEPHEN THOMAS SAKWA: [Got it there].

DAVID E. SIMON: You got it. So -- and the operating metrics, it's funny, right? Just to take a step back. So when sales were -- it's always like, okay, what's the operating metrics du jour, okay. And the reality is, our business is changing,

in that we're going to be recapturing these boxes that pay very low rent, and we're carving them up. And we're now showing to you that, love metrics, okay, the importance of the embedded growth in our business by recapturing these leases that pay very low rent. So we'll put all of our openings and all of our closings in that number, so that you can see the embedded market rent growth that we have in our business.

STEPHEN THOMAS SAKWA: Okay. And then lastly, just in the Other Income, I know there were different components. And last year, you had some securities gains and this year you didn't. But is there any -- there was a big jump in the Other Income, and I just know there's a lot of different things that run through that but are there any comments and things you can give?

DAVID E. SIMON: Yes. So last year, as you know, we sold the Seritage stock at 48, 49, which I think, if I look today, it was a pretty good trade to sell it at that rate. In other income, we did get our business interruption, not all of it but some of it from Puerto Rico and that's what's in Other Income. It doesn't flow through the operating numbers. That was -- we always had planned to get that. It's always been in our numbers but you can't book that until you actually get the cash from that, according to GAAP. And then, we got some of that BI in the third quarter.

STEPHEN THOMAS SAKWA: Okay. Is there a number you could share with us that's kind of embedded in that Other Income or...

DAVID E. SIMON: Well, it's the big jump in that, the vast majority of it, yes.

STEPHEN THOMAS SAKWA: It's vast majority, the \$20 million [increase]? Okay.

DAVID E. SIMON: That's correct. And it really is -- now so you know, we always planned on getting the BI, you just can't show it in your normal minimum rent or CAM recoveries or any of that information. It's got to be in Other Income.

OPERATOR: Our next question comes from Christy McElroy with Citi.

MICHAEL BILERMAN, MD AND HEAD OF THE US REAL ESTATE AND LODGING RESEARCH, CITIGROUP INC, RESEARCH DIVISION: It's Michael Bilerman here with Christy. David, can you just elaborate a little bit on Sears. You were named to the creditors' committee yesterday, so maybe talk a little bit about the role that you plan to play there. And you went through a lot of different numbers in terms of the Sears boxes. If you just look sequentially, you went from 59, effectively down to 46, which includes the 17 which are closing. So there's 13 stores during the quarter that fell out. I wasn't sure whether those were recaptured during the quarter and form part of some redevelopment plan but just looking sequentially [sub-to-sub] 59 to 46, inclusive of the 17 that are closing, just try to get some color there?

DAVID E. SIMON: Yes. Look, I think the thing to focus on, we're putting Sears in our rearview mirror, okay? So what we're trying to explain and there are a lot of moving boxes, and obviously, the whole situation is a tragic -- frankly, put aside how it affects us, we think this is a unique opportunity. We're going to redevelop this. We're going to generate positive momentum with the properties due to this. We're going to reinvest in the communities. We're going to be able to drive traffic now from this box. Put all of that aside, we're going to be able to make money on this. Put that all aside, if I may, and just it's a tragic set of events that a company that's been around for so long is in this state of affairs. So that to us is -- that's what I think about. It wasn't that long ago, 10, 12 years ago that 300,000 people worked at Sears, okay? So I mean, I think, we should put that in perspective but let's focus on what we -- the task at hand. And what I'm trying to do and there are a lot of moving parts. But basically and what I explained, I'm sure I garbled some because I have a hard time spitting out words. But the reality is we have 33 stores that have -- are closed or in the process of closed at the end of this year. We control 22 of those. And 5 of those are in our joint venture with Seritage. Of the 17 that we have unmitigated control, Sears will no longer exist in '19. They will either be torn down, redeveloped, re-leased but they

will be in our rearview mirror. So we are effectively down to 29 operating stores. We own 8, Seritage owns 4 and then the 17 are owned by Sears. And we'll have to wait and see what happens on the -- in terms of whether they'll continue to operate those or not. Obviously, we're planning for the ultimate unfortunate demise of Sears, and we're ready for it. And we have the balance sheet and the capital, intellectual and human resources to deal with this -- these set of events. So that's what I would focus on. The other thing to keep in mind is that, there's also Seritage that owns some in that, and they've done a reasonable job of re-leasing some of their space. So those are the numbers that I would focus on. And it's still moving around because they -- some are closed, some aren't, but that -- those are the numbers. At the end of the day, next year, we'll report 29 Sears stores, that's it.

MICHAEL BILERMAN: Right. It sounds like there were at least 11 that are controlled by others, other than you and Seritage that closed during the quarter. It's going from that 33 to 22, right?

DAVID E. SIMON: That's correct. Sears owns the balance of those. That's correct, that's correct.

MICHAEL BILERMAN: And then -- but the creditors' committee and sort of your role there, and it's worth a mention not a big competitor...

DAVID E. SIMON: There is no comment that I can have on that where we -- for better or worse, we tend to be on creditors' communities with large, unfortunate bankruptcies of retailers. So we have a certain expertise in that. We'll see how it all plays out but beyond that I can't -- I really can't comment.

MICHAEL BILERMAN: Can you talk a little bit about international in terms of what's happening there. Obviously, KIPierre, its shares are -- have come down meaningfully alongside a lot of other real estate stocks in Europe. There's obviously been consolidation activity going on there in part. KIPierre tried to make the bid for Hammerson, when Hammerson went after Intu. And now Intu has its own consortium bid from their main shareholder alongside capital sources. How are you thinking about Europe overall, both of your investment in KIPierre? But then, also, consolidation opportunities in that region, whether that would be Simon-led or KIPierre-led?

DAVID E. SIMON: Well, that was -- that -- I would classify that as an add-on sentence but let's put that aside. I'm very comfortable with our investment in KIPierre. They have -- I mean, I have to look at the long-term prospects of that company, measured against kind of the short-term volatility. And from a long-term perspective, I don't really see any real change. There is very little new development. They have a lot of redevelopment activity. They're good operators, getting better. So our investment is solid, and stocks go up, stocks go down. We take a long-term view. I -- we have exposure in Europe, not only through KIPierre but obviously, through McArthurGlen and through our interest in value retail. I would tell you that the market generally ignores and underestimates the value that we have outside of the U.S., whether that's Mexico, Europe, Asia, there is no appreciation of the value that we've created in that. That's fine. We continue to do what we do. I don't really -- we -- I think, we mentioned briefly, what KIPierre did on Hammerson. That's in the -- that's in their rearview mirror. I think that's better coming from them. I think the CEO has made that clear to investors. Not much I can add to that. And there's nothing I can add to what's going on with Intu. I mean, we don't -- as they say, we don't have a dog in that hunt, so here in Indiana that is. But -- so I continue to think Europe is fine. It's certainly -- they -- the better -- I think the trends there are similar to ours, and that the better assets will get better and the ones that are smaller, unless they're uniquely positioned, will be put under pressure. But even the better ones will grow, will offset whatever diminution might have happened on the little ones. So I generally feel pretty good. I mean, there are parts in Europe that you might want to avoid, i.e. Turkey and other places like that, given the currency and the lira and what happens on that front. But generally, I think it's okay. Look, we -- I'm sure the KIPierre team has a focus on Italy, what's going on there. You have Brexit. So you could certainly take a contrarian view at the right time. We did that in 2012, when we invested in KIPierre. Could we be coming into another contrarian point of view? Perhaps, but we're really not overly active other than making sure our investments grow in value.

OPERATOR: Our next question comes from Jeremy Metz with BMO Capital Markets.

ROBERT JEREMY METZ, DIRECTOR & ANALYST, BMO CAPITAL MARKETS EQUITY RESEARCH: Just going back to the Sears boxes in terms of the 17 that you are expected to close by year-end, the 22, including the Seritage JV. I know it's a little early here still. But can you sort of frame it out from a timing and capital allocation perspective in terms of how much of this you really think will fall into redevelopment, potentially kick off some larger redevelopments? And what sort of rough capital investment this could possibly represent?

DAVID E. SIMON: Well, it -- remember, part of -- the vast majority of the 17 of the 22, we actually transacted to get back. When was that?

UNIDENTIFIED COMPANY REPRESENTATIVE: November.

DAVID E. SIMON: November, okay. So remember that, just to put that in perspective. So those plans are already moving. I mean, not to -- just to name a few, Northshore, Cape Cod, Brea, Stoneridge, Broadway, Midland, just to name a few. So all of those are coming online, and that's why I made the comment that the 17 that we control, Sears is going to be gone. There won't be -- you won't -- there will not be a Sears, it will be either gone under construction or we'll take the box and there will be a new retailer, hopefully open by then but obviously, it does take time. So the 22 of the 33 are basically all under redevelopment. The capital of that is over \$1 billion, that's always been in our plan. And there is no surprise there. And so that's -- that we are moving at a high level to redevelop those boxes as quickly and as smartly as we can. Then there is 11 that Sears and Seritage own that we're not involved in. I think Seritage, of those 6 -- and again, there's a lot of numbers here, that's why I'm repeating myself, and I appreciate the question. Of those 6, Seritage has already redeveloped over half of those. So those are moving. They're doing those independently in conjunction with us but independently and that's fine. And then there is 5 that Sears owns, and then we'll see what happens with that real estate. And I think it's a blanket statement that we would love to own at the right price any of the real estate that we don't control. And so we -- patience, seeing how this plays out is important. So I hope that answers it but it will be well over \$1 billion. You'll start to see in the 8-K, the stuff as we approve it. I don't know. I'm asking Tom. I don't know. We just approved Cape Cod, Northshore...

THOMAS WARD: There are some in there.

DAVID E. SIMON: There are some in there. So you're going to see it. We have a busy capital appropriations committee. We approved 3 or 4 Monday, you'll see those in the fourth quarter numbers. So it's all moving quickly. We're -- and I would tell you generally other than, obviously, to see a retailer like Sears end up where it is, I mean, this will be fine for us. We'll add value to the real estate. We wish it would have been done in a different manner but we have to confront what we have to confront, and I think we'll make this -- it will be an opportunity for us just like everything else we've dealt with over the last 25 years as a public company.

ROBERT JEREMY METZ: No, I appreciate that color. And as we see that start to come onto the development pipeline, I mean, is it fair to assume the same kind of yields you've been achieving that 7% to 8% on redevelopments or would it be higher here?

DAVID E. SIMON: Yes. No, look, every -- as you know, every deal is different but that's -- that would be our goal for sure.

ROBERT JEREMY METZ: Great. And second one from me, just going back to the leasing commentary about the environment being a little better here today. Are you starting to see this translate into your leases as well in terms of timing to get deals done, terms, leasing, capital? Or is it more just on the activity front at this point? And then, in terms of rents. We've talked about this before but you're not necessarily getting the benefit of sales in an area move online but

you do feel the return to the store level. So to that end, are you starting to push occupancy costs to account for that leakage? You're looking at other metrics to understand tenant profitability and therefore what a tenant can pay and are tenants accepting that this old model maybe needs to change? Or is just more of an educational process on both sides still at this point?

RICHARD S. SOKOLOV: This is Rick. Obviously, you covered a lot of ground. Let me take it apart. One, our terms, our TA are certainly within the norms that we've established over the years. Our tempo of leasing is accelerating in that. We now have more tenants coming in saying, "All right. Let me look at 5, 10, 15 openings for '19." That is an acceleration from what we had this time last year. That's encouraging. Our occupancy costs today are the lowest they have been in the last 2.5 years, so that's encouraging and that's taking into account the fact that there is an understatement of sales productivity. All of our leasing agents are totally aware of not that potential but that fact. And as we are pricing our real estate, we are prosecuting that to the extent we can to drive rents. And you've seen our average base rent go up, so -- and our spreads are going up.

DAVID E. SIMON: I would just add though. I mean, it is -- retailers are smart and savvy. They are doing what they need to do on the -- on their cost structure and -- so it's not easy. But like I said, we have a unique position in this industry. We have really quality properties, a lot of scale. We have the ability to think. We have the ability to be patient. We have the ability to say, no. We take gambles. We win. We lose. We draw. So we do okay but it continues to be -- it's not -- it's still -- there is still very thoughtful negotiations. There -- everybody is focused on increasing their profitability. They're no different with us. And we just -- we try as hard as we can to create a decent win-win scenario. And then when we do that, the math spits out. And -- but it's better than it was last year. The long run, we have no worries about where we're going to be. And I think as we continue to redevelop, we're going to make these properties fantastic. But in the meantime, we're going to be in this spot where it's going to be a thoughtful, diligent but appropriately focused negotiation between us and our best clients.

OPERATOR: Our next question comes from Craig Schmidt with Bank of America.

CRAIG RICHARD SCHMIDT, DIRECTOR, BOFA MERRILL LYNCH, RESEARCH DIVISION: I noticed on your redevelopment activity, the yields for the Premium Outlet redevs went from 10 to 11 and the mills went from 11 to 13. I just wondered what was pushing those returns? And is it, perhaps, that the leasing is going better at these redevelopment efforts?

DAVID E. SIMON: That I wouldn't -- those are hard to like extrapolate trends. I think it's just a function of mix, nothing that really jumps out. But I'm sure, we'll look at it, and Tom could answer. But I just think it's probably just mix at the top of my head, nothing major. No change. We do have the ability, I think, to continue that value through our redevelopment, new development efforts. And it goes up and it will go down but it will -- that gives you the directional idea of kind of where things are.

CRAIG RICHARD SCHMIDT: Okay. So -- and I mean, it's clear that although the construction costs are going up, that it really isn't impacting your returns on these?

DAVID E. SIMON: Well, that's a good question, and let me just say this. Everything -- we are -- it's a good point, and let me address this, this way. I mean, we are -- we have no risk at this point but things always change. But at this point, we have absolutely no risk in what we're building today. You always have contingency in there but nothing what I would say beyond our contingency. And obviously, our contingencies in our 8-K. We are seeing a general increase in construction costs. It's really a market-by-market scenario. But the rise -- potential rise of those costs are not in any way at the point where we're saying, we can't make the numbers work. I don't anticipate that happening but obviously, we're paying attention to it.

CRAIG RICHARD SCHMIDT: Okay. And then, we keep hearing about new technology in both retail and just the retail center. I wonder if there is anything new that might surprise consumers this holiday season, whether it's unmanned checkouts or mobile apps making things more personalized or virtual or augmented reality?

DAVID E. SIMON: Well, I think we and all sorts of retailers and technology companies are focused on a couple of things: payment, obviously; driving traffic, which could be through a lot of individual, personalized promotion; the checkout process, and improving that is really important; and then the ease of parking as well. So lots of experiments, lots of things happening by us and others, by retailers and by technology companies. And I think there is clearly a bounce-back on the physical world compared to the pure online -- Internet, just because I do think payment and ease and convenience can be enhanced by technology in the store environment. So we're looking forward to those introductions into the physical world. That will -- I think that will make physical shopping a lot more easier and convenient. And then, obviously, there's so much benefits to physical shopping compared to looking on your phone and trying to buy stuff. So -- and what's fascinating to us, fascinating -- and we see it because remember, we have [our rights], so we can see the high level of returns that we see from online sales to the physical stores is never talked about, okay? But if you wanted to go, write a research report, Craig, that would be the big focus because everybody wants to say, here is the gross Internet sale but they don't want to tell you the net, they want to hit the physical world. But the returns are staggering, okay, especially in the product that I'm discussing but no one wants to talk about that.

CRAIG RICHARD SCHMIDT: So I can -- I understand your frustration but thank you for your answers.

DAVID E. SIMON: Sure. Well, I'm not frustrated by the way. Just so it's clear, I'm not -- I'm just saying it's very interesting that no one talks about it. It's just a fact.

OPERATOR: Our next question comes from Alexander Goldfarb with Sandler O'Neill.

ALEXANDER DAVID GOLDFARB, MD OF EQUITY RESEARCH & SENIOR REIT ANALYST, SANDLER O'NEILL + PARTNERS, L.P., RESEARCH DIVISION: So 2 questions from us. First, you mentioned the international, and you think that is underappreciated. But just curious, I mean, obviously, in the U.S., you guys have a very efficient platform but globally, you're definitely spread out. So just sort of curious, how you would compare your overseas platforms' efficiency to the U.S.? And then, as you expand into like Thailand or the Middle East, are those -- how those markets are initially versus once you get a concentration of assets? Do you really see a material improvement in operations or the Premium Outlets are -- work very well as a standalone or in clusters?

DAVID E. SIMON: Well, I'd say both. I mean, the reality is our joint ventures with the Premium Outlet business is -- has its own group of personnel. So they can add -- as they add product to their platform, I mean, they get scale. It's safe to say, no one -- none of our investments overseas has anywhere near the scale and the overhead metrics that we have. I mean, our overhead metrics are underappreciated. I mean, Tom can give you the numbers but many of our peers are at 10% of NOI and we're at 3. Well, give me the numbers.

UNIDENTIFIED COMPANY REPRESENTATIVE: We're at 3.

DAVID E. SIMON: We're 3, and they're 8, 9, 10. So all of our places don't have quite that scale. I could certainly -- if I wanted to or could, I could certainly probably find a way to scale but they're doing fine. And so it is what it is. So they all benefit from adding good product to their platforms. I would say, none of them have the scale that we do, and we don't impose our scale to them at all. And I don't think that we will but you can't rule it out. And if we did, I'm sure, we could do it. We could have better results. But at the moment, everything is good. So we let it go.

ALEXANDER DAVID GOLDFARB: Okay. And then the second question is, you guys -- on the last call, you talked about converting retail to other uses, and obviously, you had to deal out in Northgate, where it looks to be sort of cutting

the mall in half. As you guys increasingly go through, is there like basically a -- not exact percentage but a view of how much existing retail you could do without to replace with things like apartments or hotels or office versus how much you would increase the overall square footage of your properties to add incremental uses? So trying to get a sense of how much of your existing retail would you scale back to increase uses versus how much of the new mixed uses would be incremental to the existing retail that's already there?

DAVID E. SIMON: Well, it's hard to give you a number but let me look at it this way, okay? So I think the greatest opportunity that we have -- I think, we're in good shape with small shop. There's always going to be a mall here or there that has too much small shops. But I think, we're in decent shape there. And so what we have the opportunity to do and we are doing is, we probably -- the mall of the future doesn't need 5, 6, 3. It depends on the mall but it doesn't need the department stores. And then, the ability to reclaim that allows us to densify the properties. And I think we have that opportunity in a rather large scale. So again, this is where we suffer maybe from the scope of what we do and all the activity that we have. But take Phipps as an example. So this is -- was that put in the 8-K or not?

THOMAS WARD: Yes.

DAVID E. SIMON: So it's in the 8-K now, all right. So take Phipps, we had 1 department store built that was 140,000?

RICHARD S. SOKOLOV: 160,000.

DAVID E. SIMON: 160,000. Thank you, Rick. We are adding essentially 300 -- wow, we have -- the office is 324, right? And the hotel is -- how big is that? Whatever. Okay. So let's say, we're adding 500,000 square feet in something that was doing 160,000 -- that was taking up 160,000 square feet. And I encourage you to look at the renderings, do we have the renderings on our website?

RICHARD S. SOKOLOV: We can get them out.

DAVID E. SIMON: Okay. We should, let's get them. Do we have the video of me and Mr. De Niro and Chef Nobu on our website? And Rick?

RICHARD S. SOKOLOV: That's right.

DAVID E. SIMON: [Is it out there]? Okay. So we won't but we'll do that. And Northgate, you say the mall cut in half. I got to tell you Northgate is so much bigger than that. And again, we're -- we have up to 800-plus apartments.

RICHARD S. SOKOLOV: 1,200 apartments. Frankly, we're going to have 1,200 apartments, 600,000 feet of retail. We're going to have probably 600,000 feet of office and the NHL Seattle training facility.

DAVID E. SIMON: So, I mean, the scope of some of these things are really large. But if you're looking for it, here is the number, I can't give it to you other than with these -- we do feel like there is a lot of fun stuff to do. It's aggravating in the sense that it's -- you have to herd all of the cats, in terms of accomplishment. But once we built something, I mean, like once we -- Phipps will be open, hopefully in, and I'm pushing for 2 years but maybe 2.5 years, I think, we're going to be really proud of that and our shareholders will be happy, and Rick and I will have great sushi. So what else could you want?

OPERATOR: Our next question comes from Caitlin Burrows with Goldman Sachs.

CAITLIN BURROWS, RESEARCH ANALYST, GOLDMAN SACHS GROUP INC., RESEARCH DIVISION: So your dividend is going to be up 10.5% this year, which is great. I guess, I was just wondering considering you're growing

cash flow, how are you thinking about prioritizing on development and redevelopment where you're obviously very active versus increasing the dividend and potential acquisition opportunities right now?

DAVID E. SIMON: Well, I'd say to you that I would expect obviously board decision, blah, blah, blah. But we would expect to continue to increase our dividend next year. Clearly, we will be -- our redevelopment is really active and that could be increased, and again, the reality is, Caitlin, that it takes time. So take Brea, which we control that Sears store. It's going to be unbelievable but we have another 6 months of permitting. So we're able to -- I would love to like just step it all into the box and do it all at once but the reality is we can't because we have external constraints. I wouldn't say necessarily capital constraints at all but -- and I'm -- so I'm looking at Brian, he is saying, we don't have any. But a little -- maybe I tend to be a little conservative on that front but anyway, we just have constraints on doing the redevelopment only because we've got the permitting and so on and so forth. So that continues to be a big priority. Obviously, new development is not in the U.S., is not wildly active, though I will tell you that the deal with Macerich, I think is going to be a really good project but that's a 3-year project essentially, okay? So that takes time, and that we are really -- we think that's going to be really a good deal. We've got another one in the works in another area of the country and probably 2 more outlets that we're going to build. But again, those are over -- one could be a little bit quicker but 2 years or so. So that continues to be a focus.

Internationally, it's basically, we take our cash flow there and reinvest it. So it's not what I'd call Simon capital. We're actually not [writing] -- yes, we may not get repatriation back to us but we're basically doing what many thoughtful companies do, is they take profits and they reinvest it and have more profits and keep doing it until they can't do it anymore. So we don't see that. And so that -- so then the next thing is, look, we're going to -- we still have, if the market doesn't like our business or doesn't like what we're doing, we still have a focus on buying stock back, and then we're not all that active in the acquisition area. We could do a deal here or there. We certainly are interested in reclaiming at the right price certain department stores, and that's kind of how we're thinking about the world right now. I hope that's helpful.

CAITLIN BURROWS: It is. And just in terms of that time it takes, is there any -- I think there is some concern out there with the amount of department store reclaims that you have and everyone else does, that finding those

new uses is taking longer. Is that part of it? Or is it not?

DAVID E. SIMON: Not with us. No, no, no, no, sir, no way. That's not our issue. Our issue is execution, permitting, it has nothing to do with demand -- supply and demand, and has nothing to do with capital. That's not us, sorry.

CAITLIN BURROWS: Great to hear. And then maybe just last quickly. It looks like you guys have \$600 million of 2.2% debt maturing in early '19. So just wondering the plans to address that, and if it were a 10-year unsecured deal, what you think the rate could be?

DAVID E. SIMON: Well, we'll either use our cash or certainly our -- we have \$7 billion available. So that's just basically standard operating procedure, no big deal there. We could go to the unsecured market. Obviously, there is a lot of rate volatility today. We wouldn't probably do it today but we'll have to wait and see kind of where the world shakes out. Brian, I don't know if you want to add anything?

BRIAN J. MCDADE, EXECUTIVE VP & CFO, SIMON PROPERTY GROUP, INC.: Yes. Look, I think our cost of money today on a 10-year basis would be about 4 1/8. So we have as, David said, we've got over \$7 billion of liquidity. So we have plenty of options to address the upcoming maturity. It is our only maturity we have in 2019.

DAVID E. SIMON: Yes. And I would say to you what's fascinating, we have very, very little debt coming due in '19 or '20, both on the unsecured and secured basis. So we're in a very good spot to do that. And I would also, again, it's

overlooked but if you look at our peers, internationally, north of the border, domestic, Far East, nobody has our balance sheet, nobody is 5x debt-to-EBITDA, nobody. People are 2x of us. Not 7 but 10-plus. Please appreciate that.

CAITLIN BURROWS: (technical difficulty) commentary?

DAVID E. SIMON: Okay. So you broke up there but anyway. So we're in good shape there, and we'll see what happens on that front.

OPERATOR: Our next question comes from Jeff Donnelly with Wells Fargo.

JEFFREY JOHN DONNELLY, SENIOR ANALYST, WELLS FARGO SECURITIES, LLC, RESEARCH DIVISION: I guess, a question for both of you, Rick and David. I'm just curious in situations where you guys have redeveloped anchor boxes, do you have any statistics you can share on the change in foot traffic sales or asking rents of the property since the new anchor opened?

DAVID E. SIMON: I'm sure we could put something together. Here is what's interesting that we're seeing, again, I wouldn't like -- this is anecdotal. So don't like go -- and I don't know if this means anything and so it's too early. But we've had department store closings in the portfolio. It's -- there is no hiding that, right? And we have seen, and again, nothing drives our business. This does not drive our business one way or another because the size of the portfolio. But what we've seen, which is actually encouraging is that the in-line sales are actually getting the benefit of the department store closures. And we're also seeing some of the other department stores pick that business up. So at the end of the day, like I said, maybe our industry got just too carried away with having all these big department store boxes. It -- as we transition to the smaller more appropriately sized group, and there will be centers that lose in that and we may have 1 or 2 that we're nervous about.

The reality is, the rest of that center and we will get a better and bigger benefit, I think we'll get healthier. And we're starting to see that. But again, I'd say that's anecdotal and nothing to quantify. But we are seeing that in some of these cases, which I think is encouraging, and that's what we want. We don't need all of those. We don't really get much of an economic benefit from those boxes. We've taken over driving the traffic to the center from those boxes that would have been the historical reason to have them. So this could be healthy other than Rick and I pull our hair out, we want every box leased, we want everything redeveloped, we -- the team's moving really hard, and everybody is like, we're playing very hard here to make this stuff happen quick. I mean, that's the downside, is that, we ain't -- not that we ever have but we are not coasting, okay? We're not coasting. So not that you should feel sorry for us but I'm not asking you to. But that's the reality. We're humping and pumping. And I think this will be -- I really think other than, yes, there will be a couple of losses on the scoreboard for us but at the end of the day, this will be a good thing for us and likely our entire industry.

RICHARD S. SOKOLOV: The one unambiguous result of replacing these anchors is there is no doubt that our total sales and total footfall at our properties is increasing. Just think about David's example at Phipps. When we're done, we're probably going to have triple the retail sales plus have all the hotel traffic plus the office traffic. So in every instance, what we're adding is going to be more productive and more dynamic than what we're replacing.

JEFFREY JOHN DONNELLY: Thanks. And I guess on Sears, I'm curious, were they current on their rent before they filed because typically retailers build up a pre-petition receivable before they file. But it's sounding like some of the landlords that they were largely current, which frankly makes it seem like the bankruptcy started out as a bluff that they got called out on?

DAVID E. SIMON: Yes. We don't -- we're not going to have a bad debt reserve. I think, that's correct.

JEFFREY JOHN DONNELLY: Just one last one on Sears. You mentioned about \$1 billion of investment for the 22 boxes you're redeveloping. Should people think of that as like a rule of thumb is \$40 million to \$50 million a box, or does that include investment beyond the Sears? I think people are looking for a number there. And I'm curious how your return on investment you see on that \$1 billion compares to what it's been on prior anchor developments?

DAVID E. SIMON: I think what I would -- the best way to do this is really say to you, Jeff, that we're going to have \$1 billion-plus of spend. We've been at this -- Tom, \$1 billion for how many years? 6, okay. 6 years, a \$1 billion spend, a lot of - so I think, Jeff, if you look at what we've been doing, we've been spending \$1 billion. And if you look at '15, '16, some of that may have been tilted toward new development more than redevelopment. It's now going to tilt more toward redevelopment but -- and it -- I think it will go up. But that \$1 billion of spend is not just those 22 boxes. That's a lot of stuff in there, okay? So like Phipps is a \$350-million-plus spend, it will be over 2 years -- 2.5 probably but 2 years, and that's not Sears, that was an old Belk store.

Northgate, I mean, the Northgate numbers could be much bigger than that but again, that will be over 3 years and again, that's not a Sears box. So when I say that \$1 billion-plus spend, it's like -- it's what we -- it's the vision of what we see on redeveloping our business, and it will tilt more toward that. On the other hand, when you add Carsons with Macerich and you add a couple more, I think our spend on average is averaged about \$1 billion. It could go up as we add these things. It's not going to go to \$2 billion a year but it could go to \$1.3 billion, \$1.4 billion. We're doing our plan for '19. Tom told me not to invite anybody to our planning process, correct?

THOMAS WARD: Correct.

DAVID E. SIMON: So I'm officially not inviting anybody. But right now, we're looking at a little over a \$1 billion, \$1.3 billion. So it's -- I think, it's just more than just Sears, okay.

OPERATOR: Our next question comes from Michael Mueller with JPMorgan.

MICHAEL WILLIAM MUELLER, SENIOR ANALYST, JP MORGAN CHASE & CO, RESEARCH DIVISION: It looks like sales growth at the Mills has been similar to the rest of the portfolio. So I'm curious what's enabling you to drive the spreads that are significantly higher there?

RICHARD S. SOKOLOV: The Mills is, they're very well-positioned in virtually every market where they operate, they're a unique mix of full price, value, outlet, entertainment, food, they're all 1.5 million to 2 million square feet and they just are able to attract a very broad segment of shoppers, and they're performing well. There is no real magic, which -- but we have a very broad use of potential users there, and we've been able to keep those things very well leased, and they're very productive.

MICHAEL WILLIAM MUELLER: Is the occupancy cost notably different than the other part of the portfolio?

RICHARD S. SOKOLOV: No.

OPERATOR: Our next question comes from Rich Hill with Morgan Stanley.

RICHARD HILL, HEAD OF U.S. REIT EQUITY AND COMMERCIAL REAL ESTATE DEBT RESEARCH AND HEAD OF U.S. CMBS, MORGAN STANLEY, RESEARCH DIVISION: I want to go back to a comment you made, I think at the outset talking about how maybe your international portfolio has been, I'm going to put words into your mouth, undervalued or underappreciated. When I look at your development pipeline, it looks like there is a tremendous amount of focus on international. So how are you thinking about that? I think it's just a little bit above 10%

right now as a percentage of NOI. Do you -- as you think forward over the next 5 years, do you have a bright-line test as to where you want to get it? Or is it just, you're going to do good deals when you can find them?

DAVID E. SIMON: I think, Rich, it's -- we don't have an, oh boy, we're -- we need to be a 12%, 13%, 14%, 15%, 20%, that's not how we look at it. So the reality is -- and most of that, as you know, is through development that we've made some strategic investments, i.e. K1[#]©pierre and McArthurGlen that come to mind. And I would -- and remember, we own a decent chunk of value retail. We don't really book any of their earnings, and we've had this discussion, we only book when we get cash, which is cash distributions, which is basically cost accounting for those of you who remember cost accounting, which I do. But long story short, we don't really have -- we don't have -- I don't have any desire to do more. I don't have any desire to do less. I only have desire to make money. So we do think we add value. We do think maybe some of our international partners don't think so but I think we do. So I think it's more deal-driven but it's an important part of our business, and we will continue to invest in our platforms, whether it's Japan, Korea. We announced a development in Thailand, which I think will be fantastic. That opens up that whole country, the tourism there is remarkable. I just happen to do a retail tour in Europe, and the interest in that is the Far East -- our Premium Outlet businesses in the Far East is very -- it has a high level of interest from our retailers. So I just think it's going to be, how do we continue to drive and make money from our investments there. No desire one way or another.

RICHARD HILL: Got it. So just one quick follow-up question then. Maybe this is just in light of some global consolidation that we're seeing. Do you think landlords have to have global footprints to make money?

DAVID E. SIMON: I think it can help but I don't think it's the -- I -- and I have evolved on this. I don't think you need it. I think it can help. I wouldn't do a deal because that was a really important component of that transaction, i.e. exporting retailers from one level to another. However, it's not inconsequential. So take an example, we -- I met, and I won't name a name but I was just in Spain with a large retailer, and the fact that we have a terrific relationship with them in the U.S. and K1[#]©pierre has a terrific relationship in Europe, doesn't hurt. But it would -- if I had overpaid for the K1[#]©pierre stake, that relationship wouldn't make it up, okay? So but -- I think it is helpful but it's not a reason to do a deal.

OPERATOR: Our next question comes from Tayo Okusanya with Jefferies.

OMOTAYO TEJAMUDE OKUSANYA, MD AND SENIOR EQUITY RESEARCH ANALYST, JEFFERIES LLC, RESEARCH DIVISION: So my question is more numbers-focused. I'm just trying to understand the nature of the guidance change. And then just kind of given the \$0.05 [deed] in 3Q, how come the low end of guidance that was raised rather than the high end as well?

DAVID E. SIMON: Well, look, I don't know. There is lots of numbers. We're a big company, one deal, one event is not going to change this, that and the other. But obviously, the currency in Europe is a little softer than it was. We tend to be conservative. There is nothing really, to really study or read into that, just a number, okay?

OMOTAYO TEJAMUDE OKUSANYA: Okay. Fair enough, David. All right. And then...

DAVID E. SIMON: I mean, right? As I said -- just a number, okay.

OMOTAYO TEJAMUDE OKUSANYA: All right. Fair enough. And then any update in regards to those lease accounting charges we should be expecting for 2019? I know earlier in the year you've kind of given us some -- something....

DAVID E. SIMON: That's the same general number, no change in that. We're not going to -- we'll make that clear when we give our guidance in February. We'll absolutely make it clear. The number that we told the market more or less is the same number. There is not going to be much change there. And we'll debate whether we should -- we might go a

year just saying, here is what it would have been before and after just so people do it but we might not but you'll see the number, and it's not -- and that's really the only thing that's going to -- with these other new pronouncements, that's the only thing that's really going to be different. And again, it's not a huge number. Yes, it's basically 1% . So -- and it's over -- it's pretty much over the -- it's 25 basis points per quarter, and you can do the math to get to the number.

OMOTAYO TEJAMUDE OKUSANYA: Great. And then last one for me. Although, it's a couple of years out, any other information you can just share about the JV with Macerich?

DAVID E. SIMON: No. It's a development JV. I think a lot of people from discussions with Macerich are probably familiar with the site, and we take the site over in about a year and then we build. So it's -- we're happy to be part of it, and we think it will be a very good L.A. Premium Outlet center. So it -- we don't get the site back until Carsons does what they need to do, and the timing on that is roughly a year from now.

OPERATOR: Our next question comes from Haendel St. Juste with Mizuho.

HAENDEL EMMANUEL ST. JUSTE, MD OF AMERICAS RESEARCH & SENIOR EQUITY RESEARCH ANALYST, MIZUHO SECURITIES USA LLC, RESEARCH DIVISION: Dave, I guess, a question for you on the lease termination environment. Are you guys still -- are you receiving early termination buyout offers from retailers? And what's your appetite or sentiment regarding these early buyout offers?

DAVID E. SIMON: We had some, it was lower this quarter -- much lower this quarter than a year-ago quarter, right? It's in our -- actually you can see it in our 8-K, I don't remember the number off the top of like...

THOMAS WARD: It's [\$9.8 million] for the quarter.

RICHARD S. SOKOLOV: Versus [\$13.2 million].

DAVID E. SIMON: So it's down. I'm not a big fan of them, frankly. But I would say, we'll do them occasionally. Certainly, as you know, it's not in our comp NOI because we -- there is a lot of volatility associated with it. I would say, generally, the buyout requests are down pretty reasonably. Rick, do you agree?

RICHARD S. SOKOLOV: I agree. There has been less activity this period than we had last year.

DAVID E. SIMON: Yes. So it's down. Occasionally, we get it. I'm not a big fan of it but look, we'll do it for -- we'll do it for strategic reasons. One is, maybe we're helping the retailer. Two is, we want the space back. But it's not what we -- I would prefer not to like do a lot of it, and -- but we will do it strategically, and it's basically a function of whether the offer is fair and whether it helps the retailer and whether our prospects for renewing the space quickly. So all that goes into the blender, and then we make a decision one way or another. But we don't run around trying to look for it. It basically comes to us.

HAENDEL EMMANUEL ST. JUSTE: Got it. Got it. All right. That's helpful, thanks. I missed it earlier, I think you mentioned that you did receive business interruption income in the third quarter, and you put it in the Other Income. But I didn't catch a figure. Did you provide one?

DAVID E. SIMON: No, we didn't. But it's the vast majority of the Other Income number.

HAENDEL EMMANUEL ST. JUSTE: Got it. Okay. And capital allocation, I guess, a follow-up to an earlier question. You guys did not buy back any stock after being active, it looks like second quarter stock is pretty much at the same level.

Anything precluding you there from buying back stock? Or just maybe storing up dry powder for incremental redev? Just curious on your thoughts on capital allocation regarding stock buybacks.

DAVID E. SIMON: Yes, I just think we're conservative. I would tell you that I want to hug Brian and Andy every day, maybe I should get a little credit too. I just love our balance sheet where it is. I just love it, love it, love it. I just think it's so cool to have a balance sheet like that. So we're going to be really conservative, thoughtful and then as you mentioned, I mean, obviously, we've got a very active redevelopment pipeline. But I just love, love, love our balance sheet, and I just think that's something that -- it's got to be unique, it's got to be unique set of circumstances to really do anything material to it.

HAENDEL EMMANUEL ST. JUSTE: Okay. Last one, I guess same-store expense growth in the third quarter. Can you provide what that was?

DAVID E. SIMON: I don't know. I mean, I've no idea, but Tom will -- we don't really do that. It's just, our NOI, our comp NOI, we kind of -- it is what it is.

OPERATOR: Our next question comes from Ki Bin Kim with SunTrust.

KI BIN KIM, MD, SUNTRUST ROBINSON HUMPHREY, INC., RESEARCH DIVISION: Just to clarify something you guys mentioned earlier. The definition for leasing spreads and the volume, I think the pool changed and now you're including anchor boxes. If that's correct, do you have any of those stats under the previous language available, just for the sake of comparability?

DAVID E. SIMON: Well, it's not just anchor, it's everything. It's whatever boxes come in and [come out], whatever theaters we renew, whatever amendments we take. And we just, we sat back and said, look, this is our business and it's important to focus on that because I think the market wants to know, great you're getting these boxes back but is there value in that real estate? Why are you paying for it if there is not value on the re-leasing of that? And that's what we are trying to express. So we had -- I will say this, if you look at the earlier definition, we had positive spreads that we think the market would be fine with. But I think, the more important thing is to focus on what the future of our opportunity set is, and that's what we're trying to do.

KI BIN KIM: All right. And if I think about Simon and the size and the scale you guys have, up well above your peers. It's still interesting that on simon.com you can't buy anything. Have you guys thought about that or are there any initiatives underway? I can imagine having something like that could probably help a lot of your data collection initiatives?

DAVID E. SIMON: Have you been studying what we're up to? A very good question and an appropriate question and the best answer, I have a really thoughtful answer and that is to stay tuned.

OPERATOR: Our next question comes from Derek Johnston with Deutsche Bank.

DEREK CHARLES JOHNSTON, RESEARCH ANALYST, DEUTSCHE BANK AG, RESEARCH DIVISION: How is the mixed-use redevelopment at Phipps Plaza reshaping your vision of the portfolio's potentiality? And in your thinking, how many additional large-scale repositionings exist within the mall's portfolio? And what's your appetite for accelerating these investments?

RICHARD S. SOKOLOV: It's interesting. We've been active now for over an hour and the words KOP and King of Prussia haven't come up yet. Just our portfolio has a number of those activities. We emphasized before, when we get back one of these department store boxes, it's more than just 150,000 to 200,000 feet, it's anywhere from 10 to 18 acres adjacent to some of the best real estate in the United States. We are very focused on what we can do with those 18 acres.

And you are going to see an accelerating amount of activity in a number of our properties where we have back 22 boxes, David said, we'd like to get back others, we've taken back Penney's, we've taken back Belk, we've taken -- so you're going to keep seeing that. We have the capital, we have the expertise, we have the opportunity, and it's going to be accelerating throughout the portfolio. Frankly, we've been doing this for a decade. The difference is, we now have access to these 10 to 18 acres adjacent to our properties that can accelerate all of these activities and they are more top-of-mind for the investment community. So it's a great opportunity. We're well positioned to doing it, and it is in fact happening as we sit here talking to you.

DEREK CHARLES JOHNSTON: Excellent. And just a last one. If you could share any updates on digitally native or e-tailer initiatives? I know have some experience there now and you've been doing it for a while. Any early customer or maybe brand retailer feedback that you think is worth sharing?

DAVID E. SIMON: I would simply say that the store experience, the best way I can and be -- we warble on a little bit, so let me be really concise. The best way I can say that is, the store experience and the store requirement is back. And that is -- it shouldn't be underappreciated. They all want stores. Period, end of story.

RICHARD S. SOKOLOV: And they are opening stores. We have a very active program right now where we've got probably 25 retailers that started on the Internet that have opened stores with us and are opening more because as David said, they work and they make money.

OPERATOR: Our next question comes from Linda Tsai with Barclays.

LINDA TSAI, VP & RESEARCH ANALYST OF RETAIL REITS, BARCLAYS BANK PLC, RESEARCH DIVISION: In terms of the business interruption, insurance from and other income from Puerto Rico this quarter, do you expect anything material in 4Q as well?

DAVID E. SIMON: Yes. We expect to have some more because it comes in over a period of time. But again, all of that was planned in our guidance at the beginning of the year. Remember, we had -- we had Puerto Rico down, so we've been reporting our numbers with basically on average around \$35 million of EBITDA, adios, okay? So -- between those 2 assets. So now we're starting to play catch-up and it happened a year ago. So that's been out of our numbers, fourth quarter of last year, all the way up now, and we're starting to come back a little bit as we get to -- as we collect the cash.

LINDA TSAI: Would that continue into '19 as well?

DAVID E. SIMON: Well, at that point the property will be back online, so then we'll have -- then we'll report it, just our normal NOI that we would get from that property.

LINDA TSAI: And then I understand that Sears' going away is a long-term positive for you and the rest of the industry. As this is playing out though, short-term medium-term, do you see store closures or liquidation sales as having a dampening effect on retailers for the holiday season? And then to the extent that the liquidations continue post-holiday?

DAVID E. SIMON: Well, look, let me restate what I've said about Sears. I am disappointed. We didn't want Sears to basically file Chapter 11 or go out of business but given that it's -- at least the Chapter 11 process is happening and given the fact that they -- that we could buy some of the real estate back, we're going to make the best of it. So -- and at the end of the day, that could be a positive for us. And in terms of diversifying the mix of our properties and so on and all the stuff that we already talked about. There is always a little bit of disruption when you have liquidation. Just so you know, when you liquidate a store, you got to follow a lot of rules. We will certainly enforce our legal rights there, and hopefully it will not be disruptive to the other patrons of our shopping environments and/or have any impact on our retailers but there is a process there that they've got to run by, and we intend to make sure they operate accordingly.

LINDA TSAI: Thanks. And then finally, you said you just completed a tour of Europe, and I'm sure you visit regularly. But are there any novel retail models or concepts you felt inspired by or see making it for the U.S.?

DAVID E. SIMON: Well, listen, a lot of the -- there are a lot of great retailers in Europe; Spain, obviously Sweden, Italy, France. So I think what you don't see a lot of is kind of the Internet folks. I mean, we're seeing most of that here. But beyond that in terms of Internet entertainment, restaurants and obviously, fashion and apparel, they're fantastic, and they are very good people. And we do a lot of good stuff with them throughout the world, Asia and Europe and the U.S. so it's important for us. And I think one of the benefits we've gotten over the years is that we're now -- they recognize who we are and what we do, which may not have been the case a decade ago.

OPERATOR: Thank you. I'm not showing any further questions.

DAVID E. SIMON: Go ahead, ma'am.

OPERATOR: I'm not showing any further questions at this time. I would now like to turn the call back over to David Simon for any further remarks.

DAVID E. SIMON: All right. Thank you. We appreciate your questions and we'll talk to you soon.

OPERATOR: Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program, and you may all disconnect. Everyone have a great day.

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October 30, 2018

Q3 2018 Brixmor Property Group Inc Earnings Call - Final

Presentation

OPERATOR: Greetings, and welcome to Brixmor Property Group Third Quarter 2018 Earnings Conference Call. (Operator Instructions) As a reminder, this conference is being recorded.

It is now my pleasure to turn the conference over to your host for today's call, Stacy Slater. Thank you. You may begin.

STACY SLATER, SVP OF IR, BRIXMOR PROPERTY GROUP INC.: Thank you, Rob, and thank you all for joining Brixmor's third quarter conference call. With me on the call today are Jim Taylor, Chief Executive Officer and President; and Angela Aman, Executive Vice President and Chief Financial Officer; as well as Mark Horgan, Executive Vice President and Chief Investment Officer; and Brian Finnegan, Executive Vice President Leasing, who will be available for Q&A.

Before we begin, let me remind everyone that some of our comments today may contain forward-looking statements that are based on certain assumptions and are subject to inherent risks and uncertainties as described in our SEC filings, and actual future results may differ materially. We assume no obligation to update any forward-looking statements.

Also, we will refer today to certain non-GAAP financial measures. Further information regarding our use of these measures and reconciliations of these measures to our GAAP results are available in the earnings release and supplemental disclosure on the Investor Relations portion of our website. (Operator Instructions)

At this time, it's my pleasure to introduce Jim Taylor.

JAMES M. TAYLOR, CEO, PRESIDENT & DIRECTOR, BRIXMOR PROPERTY GROUP INC.: Thank you, Stacy, and thank you all for joining our third quarter call. I'm very pleased to report that our team is well ahead of the 2018 plan to deliver value now that we outlined at our Investor Day last December. But importantly, we've not only accelerated the delivery of that value through capital recycling, leasing, reinvestment and balance sheet management, we've also substantially increased the intrinsic value of what we own. Said another way, our progress continues to reduce the appropriate cap rate for Brixmor, while it also sets us up for consistent sustainable growth in 2019 and beyond. Allow me to explain.

Let's start with our investment team where year-to-date, we've closed on \$780 million of dispositions, well beyond our original goal. With that progress, we now expect to close nearly \$1 billion of dispositions this year at a weighted average cap rate just below 8%. This is an outstanding achievement in several respects. First, we realized these cap rates for assets that have averaged in the bottom quartile of what we own as it relates to 3- and 5-mile population density,

average household incomes and most importantly, anchor productivity. Through systematically pruning the bottom of our portfolio and exiting 39 noncore markets, we have significantly improved both the growth prospects and cap rate of our remaining portfolio.

Secondly, we transacted on an asset by asset basis, which we believe drove pricing 5% to 10% higher than what would have been achieved in larger portfolio trades. That effort, which has involved over 50 discrete transactions, captured an additional \$50 million to \$75 million of value over what might have resulted in portfolio trades. And even more significantly, the nearly \$1 billion we expect to close has raised liquidity at NAV or equity valuations at least 40% higher than our average stock price over the past year.

This accelerated disposition activity has enabled us to shift to more of a balanced capital recycling stance for 2019 and beyond. I'm encouraged by identified opportunities for us to cluster further in those retail nodes where we have a dominant presence. Of course, we will also have the ability to acquire more shares under our repurchase program should that prove more advantageous.

Speaking of capital allocation. During the quarter, we repaid over \$500 million of secured debt, greatly enhancing our flexibility to accelerate our reinvestment program. Our overall debt plus preferred to EBITDA now stands at 6.5x, which is lower than where half of our shopping center peers stood at the end of 2Q. And importantly, we expect to end this year with no debt maturing until 2021 and more than adequate capital flexibility to fund several years of our value-added plan.

On the reinvestment front, we delivered 8 projects this quarter for a total investment of \$54 million at an incremental return of 9%. These projects delivered included the opening of The Shops at Riverhead, one of our first HomeSense locations and Hunter's Creek in Orlando where we opened a new Lucky's Market, transforming a tired under-invested center into the center of its community with a best-in-class specialty grocer.

Allow me to pause on just this quarter's reinvestment progress. Not only did we generate \$5 million of incremental income with the delivery of these projects, we've created over \$25 million of incremental value before considering any compression in cap rate on the balance of the in-place NOI that naturally occurs when you improve a center.

In the case of Hunter's Creek, we believe our investment drove over 200 basis points of overall cap rate compression. I believe that our opportunity to leverage that kind of value impact of reinvestment truly stands apart within the shopping center sector given our older, well-located portfolio.

This quarter, we added 9 additional projects to our active pipeline comprising \$55 million of investment at an incremental return of 10%, bringing our total pipeline underway to over \$340 million. Importantly, these new projects impact centers with over \$100 million of in-place NOI, so we have tremendous embedded upside from cap rate compression on the centers impacted that goes far beyond our incremental investment.

The projects underway now include our redevelopment of Newtown Shopping Center, which some of you saw in a recent property tour where we are adding great tenants like Harvest, Steak Bar and Turning Point to a center anchored by a very strong regional grocer doing over \$900 a foot. From a timing perspective, we've accelerated past our original reinvestment goal set forth at Investor Day as we now expect to deliver over \$220 million of accretive reinvestment through the end of next year.

What I think is important to note here is that we are creating tremendous value now in our core business of retail while mitigating leasing and duration risks that occur with ground-up projects or the development of other asset classes. And again, we get additional benefit from the balance of the centers impacted, which, including our shadow pipeline, will be in excess of 35% of our portfolio as they benefit from small shop increases and cap rate compression. Simply put, we're improving the quality of what we own and making money doing so with very modest risk.

Speaking of value creation, let's look at leasing where we signed a sector-leading 2.2 million square feet of new and renewal leases, at cash-on-cash spreads of 13.4%, which included spreads of 39.7% for new deals. For the first 9 months of 2018, we've signed a record 68 new anchor deals. This leasing continues to drive our value-added reinvestments. And as we deliver these new anchor tenants, we're seeing the follow-on growth in our small shop leased occupancy, which grew 110 basis points year-over-year to 85.5%, a record for this company since its IPO in 2013. Please note that our leasing has also driven an overall growth in portfolio average ABR of 8% in the last 2 years as we re-leased space to better tenants at better rents.

Speaking of anchors, subsequent to quarter end on October 14, Sears Holdings filed for Chapter 11 bankruptcy protection. As you will recall, we have been working diligently since joining Brixmor to reduce our Sears exposure by over half through both dispositions and proactively recapturing and re-leasing these spaces. This team has significant experience in re-merchandising and redeveloping former Kmart Sears boxes and since IPO has completed or is finishing over \$100 million of such projects, at incremental returns above 9%. Where we haven't seen opportunities for value creation, we've already sold, positioning us to drive very attractive returns on the balance. We've also worked with Sears Kmart on shortening terms and eliminating options on several of our remaining locations so importantly, we can control our fate.

With the filing, we now expect to recapture 9 of our 11 remaining locations. We have leases and/or active LOIs for each of these 9 locations, which are some of the very best of our former Sears Kmart boxes, including Miami Gardens, Naples, Metro Philly and Cincinnati. Our weighted average in-place rent is \$5.11 for these boxes, and we expect to achieve new rents that are a multiple of that on the backfill tenants.

As we've said many times before, rent basis truly matters in whether you can make money through disruption. While the timing of the Sears Kmart unwind came a few quarters earlier than we had anticipated, the preemptive hard work of our team has put us in a position to capitalize quickly on this opportunity to meaningfully upgrade our centers. I look forward to reporting to you on the remainder of the Kmart repositions over the coming quarters.

Looking forward, our leasing pipeline continues to be very robust, with over 450 deals representing over \$51 million of ABR. And deals executed to date now represent over \$44 million of ABR signed but not yet commenced. These executed deals, again, are what drive the 2019 same-store growth expectations that we set forth at our Investor Day. While the earlier-than-anticipated timing of the Sears unwind as well as the projected timing of rent commencements will likely drive us closer to 3% than 4%, I couldn't be more pleased with how these executed deals provide for visible, robust growth through this disruption.

When I joined Brixmor a little over 2 years ago, I introduced myself to the team by sharing a list of my core beliefs, cultural tenets, if you will, that have guided me throughout my career. The first and primary tenet is that great real estate matters but great people matter even more. Over the last 2 years, a unique opportunity to create value at Brixmor has allowed us to assemble one of the best teams in the open-air business.

And this third quarter of 2018 is the quarter where across all facets of our business, the quality of this team has clearly emerged with record-setting leasing, accelerating reinvestment, exceptional capital recycling and prudent balance sheet management. Across the board, what we've achieved not only sets us up for sustainable growth in 2019 and beyond. Each element of our execution has increased the intrinsic value of the well-located assets we own, moving us towards our vision of being the center of the communities we serve. Angela?

ANGELA M. AMAN, EXECUTIVE VP, CFO & TREASURER, BRIXMOR PROPERTY GROUP INC.: Thanks, Jim, and good morning. FFO was \$0.42 per share in the third quarter and included a \$0.07 loss on debt extinguishment as we've repaid over \$500 million of longer-dated high-cost secured debt, significantly increasing our unencumbered asset

base and enhancing our financial and operational flexibility as we continue to execute on the business plan laid out at our Investor Day last December.

Same-property NOI growth during the third quarter was 1.2%, driven by a 270 basis point contribution from base rent, which represents a significant acceleration from the 150 basis point contribution in the first half of 2018 despite a year-over-year decline in billed occupancy. At Investor Day, we underscored our expectation that redevelopment would become a positive contributor to same-property growth beginning in the second half of this year, and the acceleration we saw in top line performance during the third quarter speaks to that underlying trend.

Provision for doubtful accounts and net recoveries were both headwinds to same-property NOI growth in the third quarter, consistent with the expectation communicated on last quarter's call. Provision for doubtful accounts was impacted by unusually low bad debt expense in the prior period and unfavorable bankruptcy reserves in the current period, while net recoveries were impacted primarily by favorable real estate tax refund activity in the prior period.

On a year-to-date basis, same-property NOI growth was 1.3%, just above the midpoint of our full year guidance range of 1% to 1.5%, and we have affirmed this range despite the impact of the Sears Kmart and Mattress Firm bankruptcies that were announced in October and could have as much as a 40 basis point impact on annualized base rent in the fourth quarter. As Jim highlighted in his remarks, we have proactively addressed our Sears Kmart exposure over the last 2 years, successfully repositioning or disposing of 11 of the 22 locations that were in the portfolio when we joined.

At the time of the bankruptcy filing, we had 11 locations remaining, representing approximately 60 basis points of annualized base rent. We have already taken back 6 of the 11 locations, representing 80 basis points of GLA and expect that we will take back another 3, representing 40 basis points of GLA by the end of January.

As a result, we currently expect Sears Kmart to detract approximately 40 basis points of same-property base rent growth or 50 basis points of same-property NOI growth during 2019. In addition, we also expect a detraction of up to 20 basis points of base rent growth or 30 basis points of NOI growth related to Mattress Firm, which includes our current expectations for both lease rejections and selected short-term rent concessions. While it is expected that Mattress Firm will pay rejection damages potentially totaling 1 year of rent, these amounts, if received, would most likely be treated as lease termination income and excluded from same-property NOI.

As Jim indicated earlier, despite these significant headwinds from unusually late in the year bankruptcy activity, we remain confident in our ability to achieve 3% same-property NOI growth in 2019. While the Sears Kmart bankruptcy filing will certainly result in more downtime in 2019 than we had originally anticipated, our forward planning and execution has put us in a position to minimize the potential impact from these closures with rent commencements on backfill tenants expected to begin as early as the fourth quarter of 2019. In fact, Greeneville Commons, the first of these 11 locations to be successfully addressed, was added to the active anchor repositioning pipeline this quarter as leases have already been executed with Marshalls, Five Below and Hobby Lobby.

This further demonstrates the effective and efficient manner with which our leasing teams have approached bankruptcy-impacted space over the last 2 years, consistently setting the pace for the industry as it relates to bringing rent back online following retailer disruption as many of you have noted.

We have tightened our 2018 FFO guidance range to reflect our elevated disposition expectation, and we have further adjusted guidance to reflect the \$0.07 loss on debt extinguishment recognized during the third quarter. Please note that the revised guidance does not assume additional loss on debt extinguishment in the fourth quarter, although as Jim mentioned earlier, we are currently evaluating the repayment of additional secured debt before year-end.

Last night, we also announced a 1.8% per share dividend increase, demonstrating both our commitment to providing growing income to shareholders and our commitment to prudently funding our growing value accretive reinvestment pipeline. As a result of share repurchase activity in 2018, we expect that total growth distributions in 2019 will be flat to slightly down despite an attractive per share increase to investors, and we will continue to demonstrate one of the lowest FFO payout ratios in the open-air sector.

The rate of change at Brixmor since May of 2016 has been extraordinary. We have sold over 15% of the portfolio we inherited, and we have or will soon have value accretive reinvestment activities underway at 35% of the remaining portfolio. These value accretive investments are not only enhancing the company's short-term and long-term growth rates, but they are fundamentally improving the underlying quality and residual value of the company's unlevered cash flow stream.

At the same time, we have also substantially improved the company's balance sheet by significantly extending duration, expanding our unencumbered asset base and lowering leverage, which currently sits at 6.5x, all while maintaining over \$1 billion of available liquidity. As a result, we are well positioned to capitalize on this current period of disruption as we execute on our balanced and self-funded business plan to continue to create meaningful value for shareholders.

And with that, I will turn the call over to the operator for Q&A.

Questions and Answers

OPERATOR: (Operator Instructions) Our first question comes from Todd Thomas with KeyBanc Capital Markets.

TODD MICHAEL THOMAS, MD AND SENIOR EQUITY RESEARCH ANALYST, KEYBANC CAPITAL MARKETS INC., RESEARCH DIVISION: Just, first question. In terms of the disposition activity and the much higher pace than expected in 2018, can you just provide some guideposts around what you might be thinking for 2019? And some additional insights around your comments that 2019 would be relatively more balanced from an investment standpoint?

JAMES M. TAYLOR: Yes, thanks, Todd. I appreciate the question. As Angela alluded to, we've now sold over 15% of the portfolio, which has enabled us to get after some of the noncore markets and some of the more troubled assets that didn't fit with our strategy going forward. Because we were able to exceed, significantly, the expected volume for 2018, it sets us up in 2019 for much lower level of overall transaction activity, one; and two, to be much more balanced. By that, I mean, what we're selling, we're reinvesting either in additional acquisitions or as I alluded to, share repurchases. And of course, we continue to find great redevelopment opportunities at high single-digit and low double-digit incremental returns, which we think not only create incremental value but as we've said multiple times, significantly improves the intrinsic value of the centers that are impacted. And it's particularly exciting this quarter to see that all coming together. Whether it's in the volume of leasing that we've done, the amount of redevelopment that we're actually delivering now, we're not asking you to wait. In fact, if you look at the total volume that we expect to deliver over the next 5 quarters of \$220 million, it's roughly 2/3 of what we have underway. And again, every quarter, you'll see more projects moved from the shadow pipeline into the active. So it's kind of a great position to be in, to have that be self-funded and to take this disruption that's occurring, whether it's Kmart or Mattress Firm or others, and we do expect others to similarly struggle over the coming year or so. It puts us in a great position to make our assets better.

So long-winded answer, I apologize, but I want you to understand how we think about the capital allocation. And importantly, the significant amount of work that Mark and team got done this year in over 50 separate deals, a lot of hard work well ahead of where we expected to be and valuation is much better.

TODD MICHAEL THOMAS: Okay. And just the second question just on the Kmart and Sears opportunity. Can you sort of size up what that opportunity looks like? You mentioned that the 9 that you're going to recapture, the in-place

rents are \$5 or so. Can you just talk about that potential mark-to-market? Maybe how much capital investment it might require to re-tenant those spaces and what you're seeing there?

JAMES M. TAYLOR: Yes, I mean, it sets up additional accretive reinvestment. And importantly, we've sold the locations. If you remember several quarters ago, Todd, I said of the 21 or 22 locations that we had, there were some where we didn't see an opportunity to make money. And as I alluded to in our remarks, we've already sold those boxes. So what remains are some of the very best locations that we have, Miami Gardens, Naples, Cincinnati, et cetera. And we're excited about the plans to backfill those. We've got active leases or LOIs on all 9 and I'll let Brian provide some more color.

BRIAN T. FINNEGAN, EVP OF LEASING, BRIXMOR PROPERTY GROUP INC.: Yes, thanks, Jim. And Todd, what we've done to date has really set us up for the opportunity, as Jim mentioned. And just to dig in a little further in terms of what we have on these boxes, we've got 85% of the GLA for our remaining boxes either leased, at lease or LOI. That's to grocers, value apparel retailers, best-in-class fitness operators. And some of the retailers that have been thriving in this space and have -- still have large open to buys. As Jim mentioned in his remarks, our team has gotten very good at demising these boxes and being able to deliver them quickly and execute on these plans. So from a CapEx perspective, we've been delivering a lot of these boxes over the last few years in terms of these redemises. So we don't expect a material uptick in TIs. We expect the TI piece of this to be in the \$30 a square foot range. Obviously, there's some landlord work associated with that in terms of demising the boxes. But in terms of our ability to create value, you look at where these remaining boxes are, Metro Philadelphia, Miami, Cincinnati, central Jersey and the demand that we have already. We feel as though we're in a pretty good position. And the last thing I'd say is of the 6 boxes that we're getting back, we expected to get all them back within the last 12 months. So all this does is really accelerate our plans.

OPERATOR: Our next question is from Christy McElroy with Citigroup.

KATHLEEN MCCONNELL, RESEARCH ANALYST, CITIGROUP INC, RESEARCH DIVISION: This is Katy McConnell on for Christy. So just heading into 2019, Sears aside, can you talk about how you're feeling about the level of tenant fallout risk, given other box tenants out there that either have potential for bankruptcy or where the businesses are continuing to suffer or they may be overstored?

JAMES M. TAYLOR: Thanks, Katy. I think as I've said several times over the last few quarters, as we look forward into '19, we do expect that disruption or that activity to revert to more normal levels. I think what we've seen prior to the Sears and Mattress Firm activity this year has been remarkably low. But that doesn't mean that we're not going to continue, as part of this business, to see that type of disruption. So as we look into '19, we do so with an expectation that there will be additional disruption beyond just Sears and Mattress Firm.

But again, it's really an opportunity for us to get our centers better, take these tenants who aren't doing well where we have good, low in-place rents and put in better tenants. And it really, I think, is something unique as an opportunity for us as a company because as we put the capital into these older centers, we're transforming them. And we're creating value even in the space that we're not touching, which is a great opportunity for us to move to that vision of being the center of the community we serve.

So when you're talking about a tenant who's not doing growth on sales, not really driving traffic to the center, you've got to ask yourself, "Do you really want that in your center?" And if you expect that tenant to fail, what's then your plan to replace it with a use that's more relevant and more vibrant? And as I've been saying for the last couple of years and as we've been demonstrating every quarter in terms of the volume of leasing that we're doing, there's no shortage of tenant demand for our centers. And we demonstrate that every quarter with leasing volumes that stand at the top of our peer group.

So we welcome the additional disruption. We think given all the leasing that we've done, we're set up to outperform through that disruption but also importantly, make what we own better.

OPERATOR: Our next question comes from the line of Derek Johnston with Deutsche Bank.

DEREK CHARLES JOHNSTON, RESEARCH ANALYST, DEUTSCHE BANK AG, RESEARCH DIVISION: It looks like you have about \$40 million of ABR that's signed but not yet commenced. Over what period should we expect to see this come online? And when I look in terms of the small shop component of that, is the majority coming in centers that are being redeveloped? Or was it just underutilized or vacant space in existing centers?

ANGELA M. AMAN: Yes, thanks, Derek. About \$30 million of the \$44 million should be online by really June 30 of next year with the remainder coming in, in the second half of 2019. Across the board, I would say it's a mix obviously between normal course leasing activity and redevelopment activity. As the amount we have invested in the value-enhancing redevelopment pipeline continues to grow, we would expect that number on a forward-look basis to continue to increase based on a higher contribution going forward from redevelopment.

JAMES M. TAYLOR: Yes. And importantly, Derek, that -- and I really appreciate the question because when you dig into what we have in our reinvestment pipeline, the small shop occupancy there intentionally lags our portfolio average because as we deliver that new anchor, we're holding some of that space back to lease off the strength of the new anchor. And in fact, once that new anchor is put in, we're seeing increases in those centers of 700 to 900 basis points in small shop occupancy, and importantly, not only occupancy but better tenants, higher-quality tenants as we transform those centers. And that's beginning to be seen in that small shop lease performance that you're seeing, which is up 110 basis points year-over-year. We'll face a little bit of a headwind next quarter as we get some of those Mattress Firm boxes back. But I can guarantee you, we will backfill them very quickly.

DEREK CHARLES JOHNSTON: Great. And just switching gears, any notable trends now that more grocers are expanding delivery and curbside pickup options, given that you have a lot of heavily grocery-anchored centers? Can you just comment on traction you might be seeing with omnichannel efforts with any of your retailers?

JAMES M. TAYLOR: Absolutely. We've been partnering with Kroger and Publix and many of other large grocery tenants as they roll out plans to better serve the customer through multiple channels, which include curbside pickup with very little investment on our part in terms of restriping, resigning the parking lot, providing additional lighting, et cetera, investing capital alongside them in their stores for additional rent. There are many ways that we're capitalizing on this. But importantly, these great well-run grocers are finding ways to continue to evolve and adapt, including better use of technology, which is something that I think you'll see more of over the coming couple of years where not only will customers be able to pick up and order online but apps and other things will allow the experience in the store to be much more efficient.

So I think it's -- the physical store is an incredible competitive advantage in this low-margin business. And I think the well-run grocers are figuring out how to capitalize on some of these changes to better serve their customers.

BRIAN T. FINNEGAN: And I would just add -- close to half our Kroger stores now have ClickList. And for us, it's creating additional trips. As Jim mentioned, it's another way to connect with the consumer and it's very little investment. So we have been working with all of our major grocers in this initiatives -- within these initiatives that they have.

OPERATOR: Our next question is from Karin Ford with MUFG Securities.

KARIN ANN FORD, SENIOR REAL ESTATE ANALYST, MUFG SECURITIES AMERICAS INC., RESEARCH DIVISION: I think Jim, you said in your opening remarks that dispositions this year are going to be \$1

billion and an 8% cap rate. That 8% number seemed a little higher than what we had talked about on previous calls. Just wanted to get your thoughts on whether cap rates have moved? Was it just a different mix that you sold and why that number was a little higher?

JAMES M. TAYLOR: Yes, we're still a little under 8% but as we moved into the balance of the pipeline this year, we're selling some of the tougher assets. It's really a mix issue. We've been pleased that cap rates have held in pretty well, and in fact, a lot of it's being driven by the availability of debt financing where we've seen spreads compressed. So with that, it was really part of what informed our decision, Karin, to accelerate what we were going to get done this year. We saw liquidity there, we saw a strong financing market. If there was one thing I worried about going into 2018, it was whether that liquidity would be there. But in addition to good and attractive debt financing, we're seeing a lot of capital being raised for investments in these community-anchored centers. So we haven't seen a diminution in cap rates. For us, as we've moved into the balance of our execution this year, it's really been more mix.

KARIN ANN FORD: Great. My second question is just on the next step in the debt pay-down plan. You mentioned you might repay some more secured debt here before the end of the year. Can you talk about what rate the next tranche is at? And would you also plan to continue to pay down on the term loan side alongside of it like you did this quarter?

ANGELA M. AMAN: Thanks, Karin. We do lay out sort of tranche by tranche what the debt looks like in the supplemental. You'll see that for really all the remaining secured debt it's at a rate at or just a little bit above 6% in terms of the stated interest rate. The GAAP interest rate, I would note, is a little bit below that, probably 5 3/4% or so, but it's pretty consistent across tranches. The extent of how much debt we end up paying off -- how much of the secured debt we end up paying off in the fourth quarter will depend a lot on sort of the disposition time -- disposition magnitude as well as the timing of disposition activity in the fourth quarter, which is why we haven't sort of embedded that necessarily into the guidance range but certainly continuing to evaluate it. On the term loan, I would expect at this point that the term loan likely gets refinanced in the term loan market.

OPERATOR: Our next question is from Wes Golladay with RBC Capital Markets.

WESLEY KEITH GOLLADAY, ASSOCIATE, RBC CAPITAL MARKETS, LLC, RESEARCH DIVISION: Going back to dispositions, you mentioned selling some of the tougher assets towards the end of the year. How many, I guess, noncore assets as a percentage of NOI remained in the portfolio?

JAMES M. TAYLOR: It's pretty low. I can't give you an exact percentage, but we got rid of a lot of the ones that we saw limited growth prospects for that were too far in terms of our other assets, where frankly, as we looked at anchor productivity, had productivity that we thought signaled flat to declining ABR. We still and always will have assets over the coming years that we look at that hold IRR and say, "That's below our cost of capital." And we'll have the flexibility on a more balanced basis, given all the work that we've done this year, to sell those assets at the right point in time.

There are some assets that we'll continue to lease and then sell. We're seeing good leasing momentum. And I think that's an important thing to note that when you see the improvement in our statistics as it relates to occupancy, et cetera, that's not being driven by our disposition activity. In fact, what we've disposed of is slightly more occupied year-to-date. And that's quite intentional because we are in an environment where you're not getting value for vacant space. So as stewards of our investors' capital, we're very focused on that. But as a percentage of our overall NOI, it's pretty modest now having sold about 15% of the portfolio.

WESLEY KEITH GOLLADAY: Okay. Now looking at the Sears bankruptcy, I know a lot of landlords have prepared for it. How has the mind-set of the retailers changed? Is this something they've been waiting for? Do you get the sense they may accelerate their open -- store opening plans?

BRIAN T. FINNEGAN: I don't think it necessarily changes from a retailer mind-set. Look, the retailers that are thriving in this market and we continue to do a lot of business with, whether those are specialty grocers, whether those are operators like Marshalls and Ross who we've signed leases with this quarter, 3 Five Belows that we did this quarter, those retailers continue to have strong open to buys. And if anything, the fact that landlords like us, and we've done a great job of it, have been able to execute on demising these boxes: working with specific prototypes; working with frontage, and all the things it takes to demise a box up for 3 retailers; and have been doing it consistently and delivering to these retailers over the past few years, I think, gives us a leg up in terms of our ability to retrofit them and bring them back online with better operators.

So I don't necessarily think it changes their plans from an opening perspective, but they now see in terms of their ability to execute and operate out of these spaces. So I think it's additional opportunity there.

OPERATOR: Our next question is from Jeff Donnelly with Wells Fargo.

JEFFREY JOHN DONNELLY, SENIOR ANALYST, WELLS FARGO SECURITIES, LLC, RESEARCH DIVISION: Jim, I guess, based on Angela's comments, it sounds like the bankruptcies you guys discussed are taking about 80 basis points off your 2019 NOI growth potential and pushing you towards the lower end of that to 3% to 4% NOI growth plan. I guess, the first question is, do you believe NOI for next year could ultimately come in at something in the mid- to high 2% range? Or are you still confident you're kind of within that original range?

And maybe as a follow-up, all else equal, do you think the re-leasing of the anchor spots in '19, combined with the redevelopment seeds you've been planting, position the company for NOI growth in 2020 that could theoretically actually top the 3% to 4% range you're anticipating because of the easy comp you're going to have in '19?

JAMES M. TAYLOR: I do think it positions us for more robust growth in 2020, Jeff. And as it relates to the range, we obviously were conservative as we were setting up '19. That 80 basis points of impact really does move us to the low end of the range, but we still feel confident that we'll achieve that really based in part, as I mentioned in my remarks, on all of the signed but not yet commenced leases that we have. What will be a critical factor next year, Jeff, to that point is the timing of rent commencements. So every day that we beat another timing of rent commencements next year, is worth about \$180,000. So it kind of gives you a sense of how much is coming on board as well as, to the latter part of your question, how it sets us up for 2020.

And again, we're also seeing and I'm very grateful that we're seeing good small shop follow-on growth where we're impacting these anchors. And that continues with much better tenants, better credit, better rent, local anchors, things that really drive traffic to the center and make it more relevant to the community it serves. So long-winded answer, I apologize, but we still feel confident in the low end of the range and do believe that it sets us up for better growth in '20.

JEFFREY JOHN DONNELLY: And just maybe a follow-up is, there's certainly a lot of dynamics out there that are pushing construction costs, both labor as well as the materials themselves. But rent growth, when you think about asking rents in markets, I think the view and correct me if I'm wrong, is that maybe the asking rent growth has been maybe a little more tepid in the last 12 to 24 months. I'm just curious if you feel like that's maybe setting you up to rethink or change the scope of some of the bigger redevelopment projects you guys have been contemplating, like, in a mall at 163rd or some of these other projects that are hanging out there just because maybe they won't pencil quite the same as you might have hoped?

JAMES M. TAYLOR: It's a great question. Interestingly, Jeff, in our assets in particular, we have huge embedded upside opportunity in rents. Almost regardless of what happens to the ABR trend in a particular market, including North Dade in Miami, including Western Hills outside of Cincinnati, it gives us a real opportunity because basis matters to outperform as we put capital to work.

Construction costs have had an impact but that impact has typically been less than 75 basis points on what the expected returns for the projects are. So maybe instead of doing a 10.5%, we're doing a 9.75% type return and we've been seeing some of that. But again, it's really the rent that's driving the equation. The other interesting thing, Jeff, is that in a lot of our markets, we did not see the rental rate inflation that you saw in some of the top 5 markets. And that rental rate inflation significantly outpaced underlying tenant productivity, which I think is putting a lot of pressure on folks who have invested recently at high ABRs in those markets. We're in those markets, too. We have one of the largest portfolios in the Northeast. We have one of the largest portfolios in California. But we have low rents. And those low rents give us a lot of flexibility here to create value, both incrementally, Jeff, but I think the other point that I just hope I'm getting across here is: that when you replace an old Kmart with a Sprouts and a Marshalls and a TJ, et cetera, you're improving the cap rate not just on the box but you're improving the cap rate on the total center. And that's what's exciting about this period of time for us is that even with rising construction costs and flat to even in some markets, negative ABR, we can create value. And I see that opportunity ahead. It's in our shadow pipeline. We talk about our shadow pipeline, but the one thing you got to know, Jeff, is we're running really hard on getting those leases signed, getting the construction costs out so that we can move that into active. And in fact, we're out-achieving our goals in terms of that rate. So I like how we're positioned. I like how we're positioned on a relative basis. And again, part of it starts with where we started and that fundamental truth that rent basis matters in this business if you're going to make money.

OPERATOR: Our next question comes from Haendel St. Juste with Mizuho.

HAENDEL EMMANUEL ST. JUSTE, MD OF AMERICAS RESEARCH & SENIOR EQUITY RESEARCH ANALYST, MIZUHO SECURITIES USA LLC, RESEARCH DIVISION: So Jim, just curious, I guess, how you're thinking about the portfolio's long-term prospects from here from a same-store NOI and earnings growth basis after selling close to \$1 billion of assets since your Investor Day last December. I understand that 2019 is a bit of a transition year on an earnings basis, given the volume of dispositions this year and redev still ramping and that the same-store pool still has various puts and takes. So I guess, I'm curious what you think the portfolio can generate on a same-store NOI and FFO growth basis on a more steady state basis once all this -- all the noise settles down.

JAMES M. TAYLOR: I think we're right in line with what we laid out at the Investor Day. And as we go into next year, the ability to deliver that 3% same-store growth is really being driven by all the things that we've been doing, as you kind of alluded to, whether it's the portfolio recycling, putting our capital into work in the reinvestment pipeline. But also Haendel, importantly, all the balance sheet work we've done, which gives us additional flexibility going forward to self-fund that reinvestment and take that, what should be on a run-rate basis, 3% to 4% unlevered growth and deliver FFO growth of 5% or better.

And so what's been great about this quarter is I think if you dig into any element of what we've laid out, you'll -- you can see how they're all pointing us forward towards achieving that goal, and in some instances, bettering that goal. We didn't expect Sears Kmart to happen when it did but we certainly expected it to happen. And we expect other disruption to occur. And again, I think we're really in a good position, given our low rent basis and track record with these key tenants, to outperform as we go forward. You just -- you made me think of one other thing, and that is that what's interesting is we all tend to focus on the shopping center REIT sector and what one REIT is doing versus the other REIT. One of the things you got to appreciate is that we actually don't really compete with each other on the ground much. We own probably 10% to 12% of the open-air shopping centers. And through this period of disruption, the fact that you have a national platform, the fact that you have proven relationships with these tenants, the fact that you can deliver boxes on time and to prototype and to budget really matters as these retailers continue to evaluate new store opening plans. And so platforms such as ours, such as the team that has come together here, I think are positioned to really outperform within the industry as it relates to a business that is going through a lot of disruption.

HAENDEL EMMANUEL ST. JUSTE: Appreciate your thoughts there. A follow-up on capital allocation. Looked like you guys haven't been active here for a couple of quarters on the stock buyback front. Just curious where that stands today in your minds with you having opted to buy back some debt and even raising the dividend?

JAMES M. TAYLOR: Well, we bought back about \$50 million this quarter, which I think program to-date is about \$90 million of total repurchases, leaving us a little over \$300 million to repurchase under the program. It levels today. It looks a lot more attractive than it did last quarter in the \$17 range. And so we certainly will look to that. The ability to earn that type of equity yield on buying back our stock is quite attractive to us. Importantly, we've built the flexibility to do that while also bringing down our debt-to-EBITDA, and importantly, funding -- prefunding that redev pipeline.

OPERATOR: Our next question comes from the line of Scott Frost with State Street Global Advisors.

SCOTT FROST, RESEARCH ANALYST OF FIXED INCOME AND VP, STATE STREET GLOBAL ADVISORS, INC.: Thank you for talking about the debt maturities. Just where do you expect your revolver balance is to be at year-end just for modeling purposes?

ANGELA M. AMAN: Yes, it's a good question, and it will depend in part on disposition proceeds and as I mentioned earlier, the amount of debt we end up -- the amount of secured debt we end up paying down. Consistently, we have managed with either no -- nothing drawn on the revolver or very little drawn on the revolver. So I would certainly expect that it's in line with where it was at the end of the third quarter, just over \$100 million or below that level at year-end.

SCOTT FROST: And you said you're going to refi the term loan in the term loan market. I cuff that at that about \$350 million or so remaining based on your previous comments. Is that right? And is there a reason -- why not come to debt capital markets and issue a senior unsecured?

ANGELA M. AMAN: Yes, you're right. There's \$350 million left on the term loan. What I would say as it relates to the term loan market relative to the unsecured bond market is that for us, it's really not an either/or decision. We're likely to be active in both markets over the next 6 to 12 months.

SCOTT FROST: So we should expect to see some senior unsecured issuance in debt capital markets in 2019?

ANGELA M. AMAN: Yes.

SCOTT FROST: Can you give us a range?

JAMES M. TAYLOR: Well, I think what's important is that we will approach the market when it appears conducive for us to do so. But importantly, we don't have to. And I think as we manage our capital going forward, that's really the most important guiding principle, that we never put ourselves in the position to have to issue at a particular point in time. With that said, I would expect us to issue in an index-eligible range at some point in 2019.

OPERATOR: Our next question comes from the line of Linda Tsai with Barclays.

LINDA TSAI, VP & RESEARCH ANALYST OF RETAIL REITS, BARCLAYS BANK PLC, RESEARCH DIVISION: Over the last 2 quarters, there's been a 300-basis-point spread between leased and billed. For 2019, will the spread increase because of the Sears and Mattress Firm closures? If not and it narrows, how much of the gains can offset dilution from dispositions and refinancing costs from an FFO perspective?

BRIAN T. FINNEGAN: Linda, this is Brian. Just from a lease versus billed standpoint, I think what it indicates first is that we have got a lot of space back but we also have been able to lease it up very quickly. So typically at this time

of year, that does tighten a bit. With getting the boxes back here in October from Kmart, it will be a little bit wider and expect that to be wider at the beginning of next year. And typically, that tends to tighten in the third and fourth quarter.

JAMES M. TAYLOR: Yes, one point to highlight just from a big picture standpoint, I'll let Angela weigh in, about \$44 million of rent signed but not commenced, as Angela mentioned, about \$30 million of that will commence by the end of the second quarter next year. So that will be reducing that spread. Hopefully, Brian and team continue to be the most productive team in the business and we're leasing additional space, which takes that leased occupancy higher. We certainly expect that to happen. And then as you mentioned, the take is whatever billed vacancy we get back as a result of Sears Kmart, which Angela, on an occupancy standpoint, is pretty meaningful.

ANGELA M. AMAN: Right. 120 basis points by the end of the first quarter. And as I think about trajectory as it relates to same-property NOI and obviously, the associated FFO impact in 2019, you should expect to see that back-end weighted, again, based on the timing of Sears Kmart and Mattress Firm. I think we talked about situations such as these. We're certainly embedded in that 3% to 4% range we communicated at Investor Day last year. The timing with which those are happening during the year has a more significant impact on 2019 than we might have originally expected. So you should expect to see it back-end weighted, but again, feel confident in that 3% range for next year.

LINDA TSAI: And then Mark, you made some comments earlier about how the team's gotten good at demising the boxes and delivering them sooner. Can you just talk a little bit more about what's driving that process?

BRIAN T. FINNEGAN: This is Brian. I think it's back to our experience with these, and really highlighting what Jim mentioned. We have a national platform and we've been able to deliver to prototype. And as our team on the operations side has been developing relationships with the retailers operation teams, we've gotten very good at delivering flexible formats, right? Understanding that they can live within a certain type of frontage, working with loading docks, sometimes on a box like this, you have one loading dock and you got to split those up for a few different tenants. And so as we've done a number of these over the years, like Ann Arbor, Michigan where we put 2 TJX concepts in with Sierra Trading Post and HomeGoods and added an Ulta, we've been able to work with those retailers to deliver to as close to prototype, while working in what is an irregular box. And we think that experience going forward will allow us to deliver -- to bring these boxes online a lot faster.

OPERATOR: There are no further questions. At this time, I'd like to turn the call back to Stacy Slater for closing comments.

STACY SLATER: Thanks, everyone, for joining us today. We look forward to seeing many of you next week at NAREIT.

JAMES M. TAYLOR: Thank you.

OPERATOR: This will conclude today's conference. You may disconnect your lines at this time, and we thank you for your participation.

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LINDA TSAI; ANGELA AMAN; WESLEY KEITH GOLLADAY; James M. Taylor; Jim Taylor; JEFFREY JOHN DONNELLY; KARIN ANN FORD; Karin Ford; SCOTT FROST; Angela M. Aman; Angela Aman; Christy McElroy)

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Exhibit 5



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Sears Holdings Announces Appointment Of New Independent Director

Oct 9, 2018

HOFFMAN ESTATES, Ill., Oct. 9, 2018 /PRNewswire/ -- Sears Holdings Corporation ("Holdings," "we," "us," "our," or the "Company") (NASDAQ: SHLD) today announced that Alan J. Carr, Managing Member and CEO of Drivetrain, LLC, has joined the Board of Directors (the "Board").

Carr has significant experience as a principal, investor and advisor leading complex financial restructurings, as well as serving as a director of reorganized businesses in the U.S. and Europe. Carr was previously an attorney at Skadden, Arps, Slate, Meagher & Flom LLP and Ravin, Sarasohn, Baumgarten, Fisch & Rosen.

Edward S. Lampert, Chairman and Chief Executive Officer of Sears Holdings, said: "Alan brings deep experience as a director for companies that went through complex organizational change. We are pleased to welcome him to the Board and look forward to the benefit of his expertise as we work to maximize value for the Company and its stakeholders."

About Sears Holdings Corporation

Sears Holdings Corporation (NASDAQ: SHLD) is a leading integrated retailer focused on seamlessly connecting the digital and physical shopping experiences to serve our members - wherever, whenever and however they want to shop. Sears Holdings is home to Shop Your Way®, a social shopping platform offering members rewards for shopping at Sears and Kmart as well as with other retail partners across categories important to them. The Company operates through its subsidiaries, including Sears, Roebuck and Co. and Kmart Corporation, with full-line and specialty retail stores across the United States. For more information, visit www.searsholdings.com.

Forward-Looking Statements

This press release contains forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Whenever used, words such as "will," "expect," and other terms of similar meaning are intended to identify such forward-looking statements. Forward-looking statements, including these, are based on the current beliefs and expectations of our management and are subject to significant risks, assumptions and uncertainties, many of which are beyond the Company's control, that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Detailed descriptions of risks, uncertainties and factors relating to Sears Holdings are discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. While we believe that our forecasts and assumptions are reasonable, we caution

that actual results may differ materially. We intend the forward-looking statements to speak only as of the time made and do not undertake to update or revise them as more information becomes available, except as required by law.

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Sears Holdings Public Relations
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Exhibit 6



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Sears Holdings Initiates Processes To Accelerate Strategic Transformation And Facilitate Financial Restructuring

Receives Commitments for \$300 million Debtor-in-Possession Financing; Negotiating \$300 million Junior Debtor-in-Possession Financing; Commences Voluntary Chapter 11 Proceedings

Sears and Kmart Stores, Online and Mobile Platforms Remain Open for Business; Operations Continue in Normal Course

Announces Intent to Reorganize Around Smaller Store Platform of EBITDA-Positive Stores, Evaluation of Potential Sale of Stores, and Additional Store Closures

Implements Leadership and Board Changes in Support of Restructuring Process; Transitions CEO Responsibilities from Edward S. Lampert to Office of the CEO; Appoints Mohsin Y. Meghji as Chief Restructuring Officer and William L. Transier as New Independent Director; Forms Independent Restructuring Committee

Oct 15, 2018

HOFFMAN ESTATES, ILL., Oct. 15, 2018 /PRNewswire/ -- Sears Holdings Corporation ("Holdings," "we," "our," or the "Company") (NASDAQ: SHLD) today announced a series of actions to position the Company to establish a sustainable capital structure, continue streamlining its operating model and grow profitably for the long term. To facilitate these actions, the Company and certain of its subsidiaries have filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York (the "Court").

The Company expects to move through the restructuring process as expeditiously as possible and is committed to pursuing a plan of reorganization in the very near term as it continues negotiations with major stakeholders started prior to today's announcement.

Holdings has received commitments for \$300 million in senior priming debtor-in-possession ("DIP") financing from its senior secured asset-based revolving lenders and is negotiating a \$300 million subordinated DIP financing with ESL Investments, Inc. ("ESL"). ESL is the Company's largest stockholder

and creditor, and Edward S. Lampert is ESLS Chairman and Chief Executive Officer. Subject to Court approval, the DIP financing is expected to improve the Company's financial position immediately and support its operations during the financial restructuring process.

Holdings has filed a number of customary motions with the Court seeking authorization to support its operations during the restructuring process and ensure a smooth transition into Chapter 11. The Company intends to continue payment of employee wages and benefits, honor member programs, and pay vendors and suppliers in the ordinary course for all goods and services provided on or after the filing date.

The Company's Sears and Kmart stores, and its online and mobile platforms, are open and continue to offer a full range of products and services to members and customers. Holdings' services and brand businesses will also continue to operate as usual. Customers should expect Holdings' loyalty programs, including the Shop Your Way membership program, and the Sears and private label credit card rewards programs, to continue as normal. The Company is committed to working with its vendors and other partners to help maintain inventory levels and ensure timely product delivery.

"Over the last several years, we have worked hard to transform our business and unlock the value of our assets," said Edward S. Lampert, Chairman of Sears Holdings. "While we have made progress, the plan has yet to deliver the results we have desired, and addressing the Company's immediate liquidity needs has impacted our efforts to become a profitable and more competitive retailer. The Chapter 11 process will give Holdings the flexibility to strengthen its balance sheet, enabling the Company to accelerate its strategic transformation, continue right sizing its operating model, and return to profitability. Our goal is to achieve a comprehensive restructuring as efficiently as possible, working closely with our creditors and other debtholders, and be better positioned to execute on our strategy and key priorities."

Lampert continued, "As we look toward the holiday season, Sears and Kmart stores remain open for business and our dedicated associates look forward to serving our members and customers. We thank our vendors for their continuing support through the upcoming season and beyond. We also thank our associates for their hard work and commitment to providing millions of Americans with value and convenience."

Strategic Actions

Holdings intends to reorganize around a smaller store platform of EBITDA-positive stores. The Company believes that a successful reorganization will save the Company and the jobs of tens of thousands of store associates. Holdings is currently in discussions with ESL regarding a stalking-horse bid for the purchase of a large portion of the Company's store base. There can be no assurance that any transaction will be consummated or on what terms any transaction may occur. Additionally, Holdings expects to market and sell certain of the Company's assets over the coming months.

Holdings will also close 142 unprofitable stores near the end of the year. Liquidation sales at these stores are expected to begin shortly. This is in addition to the previously announced closure of 46 unprofitable stores that is expected to be completed by November 2018.

Leadership and Board Changes

Holdings has enacted a series of leadership and Board changes in support of the continued transformation and restructuring process:

- **CEO Transition:** Edward S. Lampert has stepped down from his role as Chief Executive Officer of the Company, effective immediately. He will remain Chairman of the Board. The Company's Board has created an Office of the CEO, which will be responsible for managing the Company's day-to-day operations during this process. The Office of the CEO will be composed of Robert A. Riecker, Chief Financial Officer; Leena Munjal, Chief Digital Officer, Customer Experience and Integrated Retail; and Gregory Ladley, President of Apparel and Footwear.
- **Formation of Restructuring Committee:** The Board has formed a special committee (the "Restructuring Committee") that will oversee the restructuring process and have decision making

authority with respect to transactions involving affiliated parties. The Restructuring Committee consists solely of independent directors and includes Alan J. Carr, Paul G. DePodesta, Ann N. Reese and William L. Transier.

- **Appointment of Chief Restructuring Officer:** Mohsin Y. Meghji, Managing Partner of M-III Partners, has been appointed Chief Restructuring Officer. Meghji is a nationally recognized U.S. turnaround professional with a track record of revitalizing companies experiencing financial, operational or strategic transitions to maximize value for stakeholders. He has joined the Company's senior management team and will help lead the Company's restructuring efforts, reporting to the Restructuring Committee.
- **Addition of New Independent Director:** William L. Transier, Chief Executive Officer of Transier Advisors LLC, has joined Holdings' Board as an independent director. In addition to his leadership roles at public companies, Transier has extensive restructuring experience involving companies with complex capital structures and has served on special committees of independent directors responsible for overseeing restructuring processes. This appointment follows the recent addition of Alan J. Carr to the Board.

Additional Information about the Restructuring Process

Additional information is available on the Company's restructuring website at restructuring.searsholdings.com. For Court filings and other documents related to the court-supervised process, please visit <http://restructuring.primeclerk.com/sears>, call (844) 384-4460 (for toll-free domestic calls) and +1 (929) 955-2419 (for tolled international calls), or email searsinfo@primeclerk.com.

Advisors

Weil, Gotshal & Manges LLP is serving as legal counsel, M-III Partners is serving as restructuring advisor and Lazard Frères & Co. LLC is serving as investment banker to Holdings.

About Sears Holdings Corporation

Sears Holdings Corporation (NASDAQ: SHLD) is a leading integrated retailer focused on seamlessly connecting the digital and physical shopping experiences to serve our members - wherever, whenever and however they want to shop. Sears Holdings is home to Shop Your Way®, a social shopping platform offering members rewards for shopping at Sears and Kmart as well as with other retail partners across categories important to them. The Company operates through its subsidiaries, including Sears, Roebuck and Co. and Kmart Corporation, with full-line and specialty retail stores across the United States. For more information, visit www.searsholdings.com.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this filing that address activities, events or developments that the Company expects, believes, targets or anticipates will or may occur in the future are forward-looking statements. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which could include the following: risks and uncertainties relating to the Company's chapter 11 cases (the "Chapter 11 Case"), including but not limited to, the Company's ability to obtain Bankruptcy Court approval with respect to motions in the Chapter 11 Case, the effects of the Chapter 11 Case on the Company and on the interests of various constituents, Bankruptcy Court rulings in the Chapter 11 Case and the outcome of the Chapter 11 Case in general, the length of time the Company will operate under the Chapter 11 Case, risks associated with third-party motions in the Chapter 11 Case, the potential adverse effects of the Chapter 11 Case on the Company's liquidity or results of operations and increased legal and other professional costs necessary to execute the Company's reorganization; the conditions to which the Company's senior debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of the Company's control; the Company's ability to obtain junior debtor-in-possession financing and the amount, terms and conditions of any such

financing; the impact of and ability to successfully implement store closures and to right-size the Company's operating model; the Company's ability to consummate sales of its store base and other assets and the terms and conditions of any such sales; the Company's ability to implement operational improvement efficiencies; uncertainty associated with evaluating and completing any strategic or financial alternative as well as the Company's ability to implement and realize any anticipated benefits associated with any alternative that may be pursued; the consequences of the acceleration of our debt obligations; trading price and volatility of the Company's common stock and the ability of the Company to remain listed on Nasdaq as well as other risk factors set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. The Company therefore cautions readers against relying on these forward-looking statements. All forward-looking statements attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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Exhibit 7

ASSET PURCHASE AGREEMENT
DATED AS OF JANUARY 17, 2019
BY AND AMONG
TRANSFORM HOLDCO LLC,
SEARS HOLDINGS CORPORATION and
ITS SUBSIDIARIES PARTY HERETO

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of January 17, 2019 (the “Effective Date”), by and between Transform Holdco LLC, a Delaware Limited Liability Company (together with any applicable Affiliated Designee (as defined below), “Buyer”), and Sears Holdings Corporation, a Delaware corporation (“SHC” or the “Seller” and together with each of its Subsidiaries party hereto, the “Sellers”).

RECITALS

WHEREAS, among other things, Sellers own and operate, through direct and indirect Subsidiaries:

(a) a national network of retail stores and pharmacies under the “Sears” and “Kmart” brands as conducted at the Operating Owned Properties and the Operating Leased Properties (as defined below) and the supporting general and administrative functions related to such retail stores;

(b) a national network of specialty stores, including under the “Sears Auto Centers” brand;

(c) a business that provides various home services solutions, including product repair, repair parts and accessories under the “PartsDirect” brand, home improvement project services, franchise services in the residential home service sector, repair services under the “ServiceLive” brand or the “Sears Home Services” brand and home solution technology under the “Wally” brand;

(d) the KCD Notes (as defined below) and the business of designing, researching, developing, testing, having made, procuring the manufacture of, packaging, selling, marketing and distributing products and services under the Kenmore Marks and the DieHard Marks and licensing the Kenmore Marks and the DieHard Marks to third parties (the “Kenmore/DieHard Business”);

(e) a business that distributes and sells appliances under the “Monark Premium Appliance Co.” brand;

(f) a business that provides home delivery and retail installation services, including for third party customers, freight management, truck-load solutions, warehousing and final-mile delivery services;

(g) various websites under the sears.com and kmart.com banners;

(h) a membership program for Sellers’ members, including that offered under the “Shop Your Way” brand; and

(i) the “Business” as defined in the SHIP Purchase Agreement (as defined below),

(collectively, each of (a) through (h) above, (but, in the event that the SHIP Closing (as defined below) shall have occurred prior to the Closing Date, excluding the “Business” as defined in the SHIP Purchase Agreement), the “Business”);

WHEREAS, on October 15, 2018, (the “Petition Date”) (or, with respect to certain Sellers as applicable, following the Petition Date), Sellers filed voluntary petitions for relief (the “Filing”) commencing cases under chapter 11 of the Bankruptcy Code (the “Bankruptcy Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”);

WHEREAS, Sellers desire to sell to Buyer (or, in accordance with the terms set forth herein, an applicable Assignee (as defined below)) the Designation Rights (as defined below) and Acquired Assets (as defined below) and to transfer to Buyer the Assumed Liabilities (as defined below) and Buyer desires to purchase from Sellers the Designation Rights and Acquired Assets and to assume from Seller the Assumed Liabilities, in each case on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Parties (as defined below) desire to consummate the proposed transactions as promptly as practicable after the Bankruptcy Court enters the Approval Order (as defined below), subject to the terms of this Agreement; and

WHEREAS, the Parties desire and intend that the transactions set forth in this Agreement, together with the Bankruptcy Plan (as defined below), will, unless Buyer elects otherwise pursuant to this Agreement, (i) constitute one or more plans of reorganization under section 368(a) of the Code (as defined below) and as qualifying as one or more reorganizations thereunder and (ii) satisfy the ownership requirements set forth in section 382(l)(5)(A)(ii) of the Code.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement, the following terms have the meanings specified or referenced below.

“401(k) Plan” shall have the meaning set forth in Section 9.7(b).

“ABL Commitment Letter” shall mean the commitment letter (including all annexes, exhibits, schedules and other attachments thereto) among Buyer, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets, Inc. and Royal Bank of Canada, dated as of the date hereof, as amended, supplemented or replaced in compliance with the terms hereof and thereof.

“ABL Financing” shall mean the financing incurred or intended to be incurred pursuant to the ABL Commitment Letter, including the borrowing of loans contemplated by the ABL Commitment Letter.

“ABL Financing Sources” shall mean the Financing Sources specified in clause (z) of the definition of “Financing Sources”.

“Acquired Assets” shall have the meaning set forth in Section 2.1.

“Acquired Data” shall have the meaning set forth in Section 2.1(g).

“Acquired Equipment” shall mean, with respect to any Acquired Property, all Equipment to the extent located at or on the applicable Acquired Lease Premises or Owned Real Property.

“Acquired Foreign Assets” shall have the meaning set forth in Section 2.13(a).

“Acquired Improvements” shall mean, with respect to any Acquired Property, all Improvements located on or comprising the applicable Acquired Lease Premises or Owned Real Property.

“Acquired Intellectual Property” shall have the meaning set forth in Section 2.1(e).

“Acquired Inventory” shall mean (i) with respect to any Operating Leased Property, all Inventory which is located at or on the applicable Operating Lease Property as of the Closing Date, (ii) with respect to any Operating Owned Property, all Inventory which is located at or on the Operating Owned Property as of the Closing Date, (iii) with respect to any IP/Ground Lease Property, all Inventory which is located at or on the IP/Ground Lease Property as of the Closing Date and (iv) all other Inventory Related to the Business other than Inventory included in clause (ii) of the definition of Excluded Inventory.

“Acquired Lease” shall mean each Lease that is assumed by any Seller and assigned to Buyer pursuant to the terms of this Agreement.

“Acquired Lease Premises” shall mean the Lease Premises which is the subject of an Acquired Lease.

“Acquired Lease Rights” shall mean, with respect to an Acquired Lease, all real property rights and all other rights and interests of the tenant thereunder, including all options to renew, purchase, expand or lease (including rights of first refusal, first negotiation and first offer), and all credit for the prepaid rent associated therewith and all Security Deposits made in respect of such and any Improvements thereon.

“Acquired Property” shall mean (i) each Lease Premises which is subject to an Acquired Lease and (ii) each Owned Real Property.

“Acquired Receivables” shall mean (i) all Credit Card Accounts Receivable, (ii) all Pharmacy Receivables, (iii) the Specified Receivables and (iv) the Warranty Receivables.

“Action” shall mean any Claim, action, complaint, suit, litigation, arbitration, appeal, petition, inquiry, hearing, Order, decree, legal proceeding, investigation or other legal dispute, whether civil, criminal, administrative or otherwise, at law or in equity, by or before any Governmental Authority.

“ADA” shall have the meaning set forth in the definition of Law.

“Additional Contract” shall have the meaning set forth in Section 2.9.

“Affiliate” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have correlative meanings. Notwithstanding the foregoing, (i) each Seller and its respective Subsidiaries, on the one hand, shall not, for the purposes of this Agreement, be deemed to be an “Affiliate” of ESL or Buyer or any of their respective Affiliates (excluding each Seller and its respective Subsidiaries), on the other hand, and (ii) Buyer, ESL and their Affiliates (excluding each Seller and its respective Subsidiaries), on the one hand, shall not, for the purposes of this Agreement, be deemed to be an “Affiliate” of Sellers or any of their respective Subsidiaries, on the other hand; and Buyer and ESL shall be deemed to be Affiliates of each other.

“Affiliated Designee” shall have the meaning set forth in Section 13.6.

“Aggregate DIP Shortfall Amount” shall mean, as of the Closing Date, an amount equal to \$1,200,000,000 *less* the aggregate amounts required to be paid (net of any available cash) to fully satisfy the existing indebtedness of Sellers under both (i) the DIP Credit Agreement and (ii) the Junior DIP Term Loan Agreement.

“Agreement” shall have the meaning set forth in the Preamble.

“Agreement Assignment Notice” shall have the meaning set forth in Section 2.7(a)(ii).

“Allocation Schedule” shall have the meaning set forth in Section 9.3(d).

“Alternative Financing” shall have the meaning set forth in Section 8.5.

“Antitrust Actions” shall have the meaning set forth in Section 8.3(d).

“Antitrust Division” shall mean the Antitrust Division of the United States Department of Justice.

“Antitrust Laws” shall mean the Sherman Antitrust Act, the Clayton Antitrust Act of 1914, the HSR Act and all other federal, state and foreign statutes, rules, regulations, orders, decrees and other Laws and Orders that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or competition.

“Approval Order” shall mean an Order approving the Transactions entered by the Bankruptcy Court in the Bankruptcy Cases substantially in the form of Exhibit A attached hereto or in a form reasonably agreed by Buyer and Sellers prior to the Closing.

“Arbitrator” shall have the meaning set forth in the definition of Law.

“Assigned Agreements” shall mean (i) the Citi Card Agreement, (ii) the Initial Assigned Agreements, (iii) the Designatable Leases, solely to the extent designated for assumption by the Sellers and assignment to Buyer by written notice from Buyer to Sellers delivered prior to the end of the Designation Rights Period, and (iv) such other Additional Contracts as Buyer elects to have assigned or assumed and assigned to Buyer in accordance with this Agreement.

“Assigned Plans and Permits” shall mean, with respect to any Acquired Assets, all Plans and Permits, if any, that are assignable pursuant to the applicable issuing Governmental Authority and are Related to such Acquired Asset.

“Assignee” shall mean, as to any Acquired Lease, Buyer or any other Person designated by Buyer in the applicable Buyer Assumption Notice.

“Assignment Actions” shall have the meaning set forth in Section 5.2(c).

“Assignment and Assumption of Lease” shall have the meaning set forth in Section 5.2(b).

“Assignment Instruments” shall have the meaning set forth in Section 5.2(c).

“Assumed 503(b)(9) Claims” shall mean all Liabilities against any of the Debtors arising under section 503(b)(9) of the Bankruptcy Code.

“Assumed Customer Credits” shall mean all Liabilities arising under, or relating to, (i) any existing customer loyalty program (e.g., points, rewards, discounts, etc.) of any of Sellers or community marketing undertaken by any of Sellers, including Shop Your Way, and (ii) any Liability in respect of any gift cards, gift certificates, merchandise credits, return credits, customer membership or customer loyalty discount programs, coupons, grouppons or other similar credits or programs issued by, on behalf of or in relation to Sellers since January 1, 2018.

“Assumed Liabilities” shall have the meaning set forth in Section 2.3.

“Assumed Property Tax Liabilities” shall mean all Liabilities for Property Taxes payable with respect to any Acquired Property for Pre-Assignment Tax Periods, not to exceed \$135,000,000.

“Assumption Effective Date” shall mean, (i) with respect to the Initial Assigned Agreements, the Closing Date, (ii) with respect to the Designatable Leases, following the delivery of the applicable Buyer Assumption Notice, the earliest of (A) the deadline for objecting to assumption and assignment of such Lease, if no such objection is submitted and (B) the fifth (5th) Business Day following the date of resolution of any objection to assumption and assignment of such Lease, if any such objection is timely submitted and (iii) with respect to the Additional Contracts, the earliest of (A) the deadline for objecting to assumption and assignment of such Additional Contract, if no such objection is submitted and (B) the fifth (5th) Business Day following the date of resolution of any objection to assumption and assignment of such Additional Contract or to proposed Cure Costs, if any such objection is timely submitted.

“Auction” shall mean the auction undertaken pursuant to the Bidding Procedures Order.

“Avoidance Actions” shall mean any and all claims for relief of Sellers under chapter 5 of the Bankruptcy Code, or state fraudulent conveyance, fraudulent transfer or other similar state laws.

“Bankruptcy Cases” shall have the meaning set forth in the Recitals.

“Bankruptcy Code” shall mean Title 11 of the United States Code, sections 101 et seq.

“Bankruptcy Court” shall have the meaning set forth in the Recitals.

“Bankruptcy Plan” shall mean the joint chapter 11 plan for the Sellers in the Bankruptcy Cases.

“Bidding Procedures Order” shall mean the Order approving the global bidding procedures entered by the Bankruptcy Court in the Bankruptcy Cases on November 19, 2018 (Docket No. 816).

“BMA Consent” shall have the meaning set forth in Section 2.8(e).

“Books and Records” shall mean, with respect to Sellers, all documents, instruments, records and other written or electronic materials in whatever form or media (including all hard and electronic copies, CAD files and all discs, tapes and other media-storage data and materials containing such information, and including originals, if available) in the possession or control of Sellers in connection with, or relating to any Acquired Assets, any related Assumed Liabilities, or the operations of Sellers at any Acquired Property, or the operations of the shopping center in which such Acquired Property is located, including to the extent in Sellers’ possession or control, all files, data, reports, surveys (ALTA and topographical), soil reports, title reports and title insurance policies (including copies of all underlying exception documents), physical inspection, engineering and asbestos reports, environmental tests, inspections and reports, insurance reports, schematic plans, site plans and drawings, mailing lists, supplier lists, customer lists, price lists, financial projections, marketing information and procedures, copies of Tax Returns to the extent related to the Acquired Assets, advertising and promotional materials, equipment records, warranty information, architects and engineers agreements, architectural and engineering plans and specifications, construction contracts, drawings, plans and specifications, records of operations, manuals of operations or business procedures and other similar procedures, including all policies and procedures for the protection of individual and consumer privacy (including all CAD files and all discs, tapes and other media-storage data containing such information). Without limiting the foregoing, with respect to any Acquired Property, the term “Books and Records” shall include, to the extent in the possession or control of a Seller, (a) the original file for the applicable Acquired Property, including the applicable Acquired Lease and any other related Assigned Agreements, which includes originals of the following: the fully executed Acquired Lease and any other related Assigned Agreements, together with all Exhibits, Schedules and Addenda thereto, and all amendments, modifications and supplements thereto; letter agreements; correspondence; renewal notices; estoppel certificates issued by any Seller or the landlord under any applicable Acquired Lease; estoppel certificates issued by any party under any applicable easement, operation and easement agreement, reciprocal easement agreement, declaration of covenants, conditions and restrictions or similar documents with respect to an Acquired Property (each, an “OEA”);

accounting records; gross sales records to the extent reporting of gross sales is required pursuant to each such Acquired Lease; audit files (whether generated internally or by a third party); surveys of the Acquired Lease Premises or the common areas of the shopping center in which such Acquired Property is located with respect to compliance with Law; any OEA and all amendments, modifications and supplements thereto; the applicable Sellers' title insurance policy, together with legible copies of all exception documents; any agreements confirming the commencement date or other relevant dates in the Acquired Lease; recorded copies of any memorandum of lease; and lease abstracts, and (b) keys to such Acquired Property, security codes for such Acquired Property or any of such Acquired Property's building systems, any keys or security codes for parking and other common areas of any shopping centers in which such Acquired Property is located and any other document or information in the possession or control of any Seller useful or necessary to operate a retail store from the Acquired Lease Premises. Notwithstanding the foregoing, the term "Books and Records" shall not include (i) personnel files with respect to any Seller employees who are not Transferred Employees, (ii) any information as to Seller employees that is prohibited by Law from being delivered by Sellers to Buyer (including (1) employee medical information protected by the Health Insurance Portability and Accountability Act of 1996, as amended, the ADA, the Family and Medical Leave Act of 1993, as amended, or the Genetic Information Nondiscrimination Act of 2008, as amended, (2) any Employment Eligibility Verification on Form I-9 and (3) any employee background reports), provided that Sellers shall inform Buyer of the general nature of the materials being withheld and, upon Buyer's request and at Buyer's sole cost and expense, reasonably cooperate with Buyer to provide such materials, in whole or in part, in a manner that would not result in the outcome described in this clause (ii), including by reasonably cooperating with Buyer to enter into additional agreements to the extent required to render the access to any personally identifiable information permissible under any applicable Law or contractual obligation, (iii) any non-disclosure or confidentiality, non-compete or non-solicitation agreements other than contemplated by Section 2.1(k) and (iv) the Retained Books and Records.

"Business" shall have the meaning set forth in the Recitals.

"Business Day" shall mean any day of the year, other than a Saturday or Sunday, on which national banking institutions in New York, New York are open to the public for conducting business and are not required or authorized by Law to remain closed.

"Business Employees" shall mean each employee who, as of the Closing Date, is primarily engaged in providing services in connection with, or in support of, the Business, including in any commercial or corporate function (excluding employees employed in the GOB Leased Stores, the GOB Owned Stores or at any distribution center which is announced for closing prior to the Closing Date and any employees who have been provided notice of termination by Sellers prior to the Closing Date). The number of Business Employees is expected to total approximately 45,000 employees.

"Business Names" shall have the meaning set forth in the definition of Intellectual Property.

"Buyer" shall have the meaning set forth in the Preamble.

"Buyer Assumption Notice" shall have the meaning set forth in Section 5.2(a).

“Buyer Occupancy Costs” shall mean (i) with respect to any GOB Leased Stores, all Occupancy Expenses that are incurred, accrued or apportioned solely for the period commencing on the first calendar day following the GOB Period for such GOB Store and ending at the expiration of the Designation Rights Period for such GOB Store and (ii) with respect to any Operating Leased Property, all Occupancy Expenses that are incurred, accrued or apportioned solely for the period commencing on the Closing Date and ending at the expiration of the Designation Rights Period for such Operating Leased Property.

“Buyer Party Release” shall have the meaning set forth in Section 9.13.

“Buyer Rejection Notice” shall have the meaning set forth in Section 5.3(a).

“Buyer Related Party” shall mean (i) Buyer, (ii) ESL, (iii) the Cyrus Related Parties and (iv) any Person who is currently or formerly was a director, officer, employee, stockholder, member, limited partner, general partner, controlling person, manager, representative, attorney, agent or successors of Buyer, ESL or any of the Cyrus Related Parties.

“Buyer’s Savings Plan” has the meaning given in Section 9.7(k)(i).

“Casualty / Condemnation Event” shall have the meaning set forth in Section 12.3(a).

“Challenge” shall have the meaning set forth in the definition of Final Order.

“Citi Card Agreement” shall mean the Second Amended and Restated Program Agreement, dated as of October 3, 2018, by and among Sears, Roebuck and Co., Sears Brands Business Unit Corporation, the Other Sears Parties, and Citibank, N.A., as may be amended from time to time.

“Citi L/C Facility” shall mean that certain letters of credit facility granted pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of December 28, 2016 (as at any time amended, restated, amended and restated, supplemented or otherwise modified), by and among Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, SHC, Citibank N.A. as administrative agent, and the financial institutions party thereto from time to time.

“Claims” shall mean all rights to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or rights to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, in each case, of whatever kind or description against any Person.

“Closing” shall have the meaning set forth in Section 4.1.

“Closing Date” shall have the meaning set forth in Section 4.1.

“Closing Legal Impediment” shall have the meaning set forth in Section 10.4.

“Closing Payment Amount” shall have the meaning set forth in Section 3.1(a).

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Commitment Letters” shall mean, collectively, the Cyrus Commitment Letter, the Debt Commitment Letter, the Real Estate Financing Commitment Letter and the Equity Commitment Letter.

“Competing Transaction” shall mean any direct or indirect financing, refinancing, acquisition, sale, divestiture (including by merger, acquisition or other business combination), public offering, recapitalization, business combination or reorganization, whether in one transaction or a series of related transactions, of or involving or implicating all or any material part of the Designation Rights, the Properties, the Leases, the Acquired Assets, the Assumed Liabilities or any Business (other than any such transaction or series of related transactions with Buyer or any Affiliate thereof) or any standalone plan of reorganization or liquidation for any Seller that does not contemplate the consummation of the Transactions.

“Compliant” shall mean, with respect to the written Required Information that has been or will be made available to Buyer by the Sellers or any of their respective representatives on their behalf in connection with the Transactions, that the Sellers’ auditors have not withdrawn any audit opinion with respect to any financial statements contained in the Required Information for which they have provided an opinion (unless a new audit opinion is issued with respect to the financial statements for the applicable periods by such auditors or any other independent public accounting firm of national standing or otherwise reasonably acceptable to Buyer).

“Confidential Information” shall mean, with respect to any Person, all information of a confidential or proprietary nature (whether or not specifically labeled or identified as “confidential”), in any form or medium, which relates to such Person or their respective business relations and its respective business activities. Confidential Information includes, but is not limited to, the following: (i) internal business information (including historical and projected financial information and budgets and information relating to strategic and staffing plans and practices, business, training, marketing, promotional and sales plans and practices, cost, rate and pricing structures and accounting and business methods); (ii) identities and individual requirements of, and specific contractual arrangements with, such Person’s customers, clients, distributors, vendors, service providers, independent contractors, joint venture partners and other business relations and their confidential information; (iii) trade secrets; and (iv) other non-public Intellectual Property.

“Confidentiality Agreement” shall mean the Confidentiality Agreement, dated as of May 15, 2018, by and between ESL Investments, Inc. and SHC.

“Consent” shall mean any consent, approval, concession, grant, waiver, exemption, license, entitlement, suitability determination, franchise, development right, certificate, variance, registration, permit, Order or other authorization of or notice of any Person.

“Contract” shall mean any contract, agreement, undertaking, lease, sublease, license, sublicense, sales order, purchase order or other instrument or commitment, whether written or oral (including commitments to enter into any of such) that purports to be binding on any Person or any part of its property (or subjects any such assets or property to an Encumbrance).

“Controlling Person” shall mean ESL Investments, Inc., its Affiliates and their respective directors and officers.

“Copyrights” shall have the meaning set forth in the definition of Intellectual Property.

“CPA Firm” shall mean a national firm of independent public accountants as to which the Parties mutually agree. In the event the Parties do not mutually agree in a timely manner, the Bankruptcy Court shall determine the CPA Firm.

“Credit Bid Release Consideration” shall mean an amount of cash equal to Thirty-Five Million Dollars (\$35,000,000).

“Credit Card Accounts Receivable” means each Account or Payment Intangible (each as defined in the UCC) together with all income, payments and proceeds thereof, owed by a credit card payment processor or an issuer of credit cards to a Seller resulting from charges by a customer of a Seller on credit cards processed by such processor or issued by such issuer in connection with the sale of goods by a Seller or services performed by a Seller, in each case in the ordinary course of its business.

“Credit Card Claims” means all claims arising from Seller’s involvement as a class plaintiff in the class actions consolidated in the multi-district litigation In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, No. 1:05-MD-01720 (E.D.N.Y.) against Visa Inc., Mastercard Inc., JPMorgan Chase & Co, Citigroup N.A., Bank of America N.A., and other defendants, alleging antitrust violations in relation to certain practices with respect to merchant processing fees and merchant processing agreements attributable to merchants that accepted Visa Inc. or Mastercard Inc. credit or debit cards beginning on January 1, 2004, and any proceeds thereof, including proceeds arising from any settlement with respect to the foregoing.

“Cure Costs” means all amounts payable in order to cure any monetary defaults required to be cured under section 365(b)(1) of the Bankruptcy Code or otherwise to effectuate, pursuant to the Bankruptcy Code, the assumption of the Assigned Agreements, whether as determined by the Bankruptcy Court or agreed to by the Buyer and the non-debtor counterparty to the applicable Assigned Agreement.

“Current Fiscal Year” shall mean, in relation to the Seller, the Seller’s current fiscal beginning February 4, 2018.

“Customer Data” shall mean all data (including personal data and personally identifiable information) owned or controlled (meaning any data Sellers have the ability to transfer in compliance with applicable Law) by or on behalf of Sellers related to Sellers’ customers, consumers or end users, including (i) customer, consumer and end user files and lists and contact information, (ii) purchasing, transaction and installation histories (namely, the product purchased, date of purchase, location of purchase, date of installation and whether a warranty was purchased), (iii) customer, consumer and end-user complaints and returns, (iv) customer, consumer or end user opt-outs, unsubscribe or opt-ins requests in relation to the use or processing of their information, (v) all analytics relating to any of the foregoing and other customer-based analyses or reports and

(vi) all loyalty program data and participation information (including all information and data with respect to Shop Your Way).

“Cyrus Commitment Letter” shall mean the commitment letter (including all annexes, exhibits, schedules and other attachments thereto) among Buyer, the Cyrus Lender, the Sponsor and Citibank, N.A., dated as of the date hereof, as amended, supplemented or replaced in compliance with the terms hereof and thereof.

“Cyrus Financing” shall mean the debt financing incurred or intended to be incurred pursuant to the Cyrus Commitment Letter, including the borrowing of loans contemplated by the Cyrus Commitment Letter.

“Cyrus Lender” shall mean Cyrus Capital Partners, L.P.

“Cyrus Related Parties” shall mean the Cyrus Lender, its Affiliates and any of their respective directors, officers, or employees, in such capacities and in their individual capacities.

“Debt Commitment Letters” shall mean, collectively, the ABL Commitment Letter, the Cyrus Commitment Letter and the Real Estate Financing Commitment Letter.

“Debt Financing” shall mean, collectively, the ABL Financing, the Cyrus Financing and the Real Estate Financing.

“Debt Financing Documents” means the agreements, documents and certificates contemplated by the Debt Financing, including (a) all credit agreements, loan documents, debentures, notes, pledge and security documents, guarantees, mortgages, intercreditor agreements and other related documents pursuant to which the Debt Financing will be governed or contemplated by the Debt Commitment Letters and (b) officer, secretary, solvency, closing and perfection certificates, legal opinions, corporate organizational documents, good standing certificates, Lien searches, and resolutions contemplated by the Debt Commitment Letters or requested by the Financing Sources.

“Deposit Amount” shall have the meaning set forth in Section 3.2.

“Designatable Lease” shall mean each of (i) the GOB Leases and the Operating Leases and (ii) to the extent applicable to such leases and lease agreements, all non-disturbance agreements with fee owners or senior landlords, subordination, non-disturbance and attornment agreements, waivers and consents in favor of any Seller, estoppel certificates from landlords under any of the Leases (to the extent assignable), and landlord waivers or other collateral access agreements in favor of any Seller or any asset-based lenders.

“Designated Sale Transaction” shall have the meaning set forth in Section 2.12(b).

“Designated Tax Advisor” shall mean Weil, Gotshal & Manges LLP, or Deloitte Tax LLP, as decided in the Sellers’ discretion, or if neither of the foregoing is able to deliver a Tax Opinion, Cleary Gottlieb Steen & Hamilton LLP.

“Designation Assignment Date” shall have the meaning set forth in Section 5.2(d).

“Designation Deadline” shall have the meaning set forth in Section 2.9.

“Designation Rights” shall mean the exclusive right to irrevocably select, identify and designate each Designatable Lease in respect of which Assignee will acquire all of Sellers’ right, title and interest in and to the applicable Designatable Lease, together with all of Sellers’ right, title and interest in and to certain assets related to such Designatable Lease, to the extent, but only to the extent, set forth in Article II, all in accordance with the terms and conditions of this Agreement.

“Designation Rights Period” shall mean, with respect to each Designatable Lease, the period commencing on the Closing Date and ending on the earliest of (i) five (5) Business Days after delivery of the applicable Buyer Rejection Notice, (ii) the date on which an applicable agreement is assumed and assigned to an Assignee, (iii) the date which is sixty (60) days after the Closing Date and (iv) May 3, 2019.

“DieHard Marks” shall mean the name “DIEHARD” and any name consisting of, containing or incorporating “DIEHARD”, and all designs and logos associated therewith in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“DIP Credit Agreement” means that certain Superpriority Senior Secured Debtor-in-Possession Asset Based Credit Agreement, dated as of November 29, 2018, among SHC, as holdings, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, Bank of America, N.A., in its capacity as administrative agent and co-collateral agent, Wells Fargo Bank, National Association, in its capacity as co-collateral agent, and the lenders named therein, as in effect on the date hereof [Docket No. 955-1].

“Distribution Requirement” shall mean the requirement that each Seller (except if and to the extent (x) Buyer elects, in accordance with this Agreement, that the transactions set forth in this Agreement with respect to such Seller shall not be treated as a Tax Reorganization, or (y) if requested by such Seller, Designated Tax Advisor is unable to deliver a Tax Opinion that the transactions set forth in this Agreement with respect to such Seller may be treated as a Tax Reorganization) (i) shall distribute the Securities Consideration received by it to Persons qualifying as holders of “securities” of such Seller for purposes of section 354 of the Code, (ii) shall distribute all of the cash received pursuant to Section 3.1(a), as well as all of its other property pursuant to the Bankruptcy Plan, (iii) shall dissolve no later than the end of the third taxable year ending after the Closing Date, and (iv) during the period between the Closing Date and its dissolution, shall limit its activities to those which are merely for the purpose of liquidating its assets (which may include maintaining a going operation for the preservation of value, pending distribution or sale), winding up its affairs, resolving and paying its debts, and distributing any remaining assets (which may include a distribution to a non-corporate liquidating vehicle).

“Domain Names” shall have the meaning set forth in the definition of Intellectual Property.

“Effect” shall have the meaning set forth in the definition of “Material Adverse Effect.”

“Effective Date” shall have the meaning set forth in the Preamble.

“Employee Plan” shall mean each “employee benefit plan” (as such term is defined in Section 3(3) of ERISA), whether or not subject to ERISA, and each other employee benefit plan, program, policy, or arrangement (including each stock purchase, stock option, restricted stock or other equity-based, severance, retention, change-of-control, bonus, deferred compensation, fringe benefit and other similar benefit plan, program, policy, or arrangement), in each case, that provides any kind of compensation or benefits to Business Employees or former employees of the Business or their dependents or beneficiaries or with respect to which Seller would reasonably be expected to have any Liability in respect of the Business Employees.

“Employment Laws” shall mean all Laws (including the WARN Act), now or at the applicable time in effect and regulating, respecting, concerning or relating directly or indirectly to employees, independent contractors, labor relations, workers’ compensation, unemployment compensation, foreign workers employed in the United States, wages and hours, safety, compensation, worker classification or other workplace or employment standards or practices.

“Encumbrance” shall mean all mortgages, pledges, hypothecations, charges, liens, interests, debentures, trust deeds, claims and encumbrances of any type whatsoever (whether known or unknown, secured or unsecured or in the nature of setoff or recoupment, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of the Bankruptcy Cases, and whether imposed by agreement, understanding, Law, equity, or otherwise), including Claims, assignments by way of security or otherwise, security agreements and interests, conditional sales contracts or other title retention agreements, rights of first refusal, first negotiation or first offer, options to purchase or similar restrictions or obligations, instruments creating a security interest in the Acquired Assets or any part thereof or interest therein, and any agreements, leases, subleases, licenses, occupancy agreements, options, easements, rights of way, covenants, conditions, restrictions, declarations, defects in title, encroachments, exceptions or other encumbrances adversely affecting title to the Acquired Assets or any part thereof or interest therein.

“Environmental Laws” shall mean all applicable Laws relating to pollution or protection of human health or safety (to the extent related to exposure to Hazardous Substances) or the environment (including ambient air, water, surface water, groundwater, land surface, soil or subsurface) or natural resources, including applicable Laws relating to the generation, storage, transfer, transportation, investigation, cleanup, treatment, remediation, or use of, or release or threatened release into the environment of, any Hazardous Substances.

“Environmental Permits” shall mean all licenses, permits, variances, consents or certificates issued pursuant to Environmental Laws.

“Equipment” shall mean all machinery, equipment, appliances, supplies, furniture, fixtures, janitorial and cleaning equipment, partitions, desks, chairs, tables, telephone lines, cubicles, point-of-sale systems, graphics, branding, signs and signage (including any signs and signage on any buildings, pylons or monuments and any directional or other ground or off-premises signs and signage). For the avoidance of doubt, Improvements do not constitute Equipment.

“Equity Commitment Letter” shall have the meaning set forth in Section 7.4(a).

“Equity Financing” shall have the meaning set forth in Section 7.4(a).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, and all Laws issued thereunder.

“ERISA Affiliate” shall mean, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is, or was at the relevant time, a member of the same “controlled group” as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

“ESL” shall mean ESL Investments, Inc., JPP, LLC, JPP II, LLC, Eddie S. Lampert and any of their respective directors, officers, or employees, in such capacities and in their individual capacities.

“Excluded Assets” shall have the meaning set forth in Section 2.2.

“Excluded Asset-Reorganization Taxes” shall mean any and all (i) Taxes imposed on or with respect to the Excluded Assets or the Excluded Liabilities for any taxable period, other than any Tax to the extent such Tax would have been reduced or eliminated had the Sellers’ Tax attributes not transferred to Buyer (taking into account Tax attributes Sellers would have had if all transactions described in Article II were Designated Sale Transactions and respected as such by the Internal Revenue Service), (ii) Taxes imposed on or with respect to the Acquired Assets, the Acquired Properties, the Business or the Assumed Liabilities for any Pre-Assignment Tax Period (for the avoidance of doubt, other than amounts payable by Buyer under Section 5.1(b)), other than any Tax to the extent such Tax would have been reduced or eliminated had the Sellers’ Tax attributes not transferred to Buyer (taking into account Tax attributes Sellers would have had if all transactions described in Article II were Designated Sale Transactions and respected as such by the Internal Revenue Service), (iii) Liabilities of Buyer or any of its Affiliates for Taxes described in clause (i) or (ii) hereof of any Sellers or their Affiliates as a transferee or successor, by contract, operation of law or otherwise, other than as part of any agreement entered into in the Ordinary Course of Business the primary purpose of which is not related to Tax and (iv) Taxes imposed on any earnings on the investment of the cash received pursuant to Section 3.1(a) pending its distribution pursuant to the Bankruptcy Plan.

“Excluded Asset-Sale Taxes” shall mean any and all (i) Taxes imposed on or payable by any Sellers or their Affiliates for any taxable period (whether starting or ending before or after the Closing Date) or with respect to any of the Acquired Assets, the Acquired Properties the Business or the Assumed Liabilities, other than amounts payable by Buyer under Section 5.1(b), and (ii) Liabilities of Buyer or any of its Affiliates for Taxes of any Sellers or their Affiliates as a transferee or successor, by contract, operation of law or otherwise, other than as part of any agreement entered into in the Ordinary Course of Business the primary purpose of which is not related to Tax. Notwithstanding anything to the contrary herein, “Excluded Asset-Sale Taxes” shall not include any Excluded Asset-Reorganization Taxes.

“Excluded Equipment” shall mean all Equipment other than the Acquired Equipment.

“Excluded Improvements” shall mean all Improvements other than the Acquired Improvements.

“Excluded Inventory” shall mean (i) all Inventory other than the Acquired Inventory, (ii) all Inventory held by Sellers which is located at any site which is not a Property and (iii) for the avoidance of doubt, all Inventory located at any GOB Store.

“Excluded IT” shall mean the Equipment and other assets set forth on Schedule 1.1(c).

“Excluded Liabilities” shall have the meaning set forth in Section 2.4.

“Exclusive License” shall mean the license agreement by and between KCD IP, LLC and Buyer as described in Section 9.14(b).

“Existing Financing Arrangements” shall mean the Citi L/C Facility, the DIP Credit Agreement, the FILO Facility, the IP/Ground Lease Term Loan Facility, the Junior DIP Term Loan Agreement, the Real Estate Loan 2020, the Second Lien Line of Credit Facility, the Second Lien Term Loan, the Second Lien PIK Notes and the Third Amended and Restated Credit Agreement.

“Expenses” shall mean (i) the Buyer Occupancy Costs, if applicable, and (ii) the reasonable and documented out-of-pocket fees, costs and expenses or other disbursements borne by any Seller or its Affiliates incurred or accruing (a) during the Designation Rights Period, to the extent Related to the Operating Leases or Operating Leased Stores, (b) to the extent Related to the GOB Leases or GOB Leased Stores incurred or accruing following the GOB Period for each such GOB Lease or GOB Leased Store, (c) after the Closing, to the extent related to an Additional Contract or any Operating Lease or Operating Leased Store or (d) as a result of Sellers being the tenant under the Designatable Lease or Additional Contract during, with respect to the GOB Leased Stores, the period commencing after the GOB Period for each such GOB Leased Store and ending at the expiration of the Designation Rights Period, and with respect to any Operating Leased Property, during the Designation Rights Period, and any reasonable and documented fees, costs and expenses incurred by any Seller or its Affiliates in connection with any transfer of a Designatable Lease to Purchaser following the Designation Rights Period, but in each case shall not, for the avoidance of doubt, include rejection damages or Cure Costs.

“Filing” shall have the meaning set forth in the Recitals.

“FILO Facility” shall mean the first-in, last-out tranche of debt under the Third Amended and Restated Credit Agreement (as amended by (i) that certain Fifth Amendment to Third Amended and Restated Credit Agreement, dated as of March 21, 2018, by and between, inter alios, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, SHC, Bank of America, N.A., as administrative agent, co-collateral agent and lender, Wells Fargo Bank, National Association, as co-collateral agent and lender, and PNC Bank, National Association, Citibank N.A., Citizen Business Capital, and Regions Bank, as revolving lenders and (ii) that certain Sixth Amendment to Third Amended and Restated Credit Agreement, dated as of March 21, 2018, by and between, inter alios, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers,

SHC, Bank of America, N.A., as administrative agent and co-collateral agent, Wells Fargo Bank, National Association, as co-collateral agent, and Benefit Street 2018 LLC, JPP LLC and JPP II LLC as lenders).

“FILO Facility Buyout Amount” shall have the meaning set forth in Section 3.1(c).

“Final Order” shall mean an action taken or order issued by the applicable Governmental Authority (i) as to which no appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial, request for stay, motion or petition for reconsideration, application or request for review, or other similar motion, application, notice or request (collectively, a “Challenge”) has been timely filed, or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the subject order in all respects without the possibility for further Challenge thereon and (ii) as to which the time for instituting or filing a Challenge shall have expired.

“Financing” shall mean, collectively, the Debt Financing and the Equity Financing.

“Financing Sources” shall mean, with respect to (x) the Real Estate Financing, the Cyrus Lender and the Sponsor, (y) the Cyrus Financing, the Cyrus Lender, the Sponsor and Citibank, N.A. and (z) the ABL Financing, the Persons that have directly or indirectly committed to provide or otherwise entered into agreements in connection with the ABL Financing in connection with the transactions contemplated hereby pursuant to the ABL Commitment Letter, including the agents, arrangers and lenders party to the ABL Commitment Letter and/or the Debt Financing Documents relating to the ABL Financing, together with any of their respective Affiliates and their respective Affiliates’ former, current or future officers, directors, employees, agents and representatives, direct or indirect shareholders or equity holders, managers, members and their respective successors and assigns, in each case in their capacities as such.

“Foreign Subsidiary” shall mean any Subsidiary of any Seller incorporated under any jurisdiction other than the United States of America and its territories, other than Sears RE.

“FTC” shall mean the Federal Trade Commission.

“GAAP” shall mean U.S. generally accepted accounting principles in effect from time to time.

“GOB Leases” shall mean each of (i) those leases or lease agreements (including ground leases) related to the real properties identified on Schedule 1.1(m) (together with all amendments, modifications, supplements and renewals thereof), and (ii) to the extent applicable to such leases and lease agreements, all non-disturbance agreements with fee owners or senior landlords, subordination, non-disturbance and attornment agreements, waivers and consents in favor of any Seller, estoppel certificates from landlords under any such leases and lease agreements (to the extent assignable), and landlord waivers or other collateral access agreements in favor of any Seller or any asset-based lenders.

“GOB Leased Store” shall mean the real property demised pursuant to a GOB Lease.

“GOB Owned Stores” shall mean the real property described in Schedule 1.1(n), including, in each case, all of the right, title and interest of Seller and its Subsidiaries to all Improvements located thereon and all easements and other rights and interests appurtenant thereto and any associated rights to parking.

“GOB Period” shall mean with respect to each GOB Leased Store, the period commencing on the Closing Date and ending on the date that Seller delivers written notice to Buyer that the “going-out-of-business” sale with respect to such GOB Leased Store has been completed and all inventory of Sellers has been removed from such GOB Leased Store. For the avoidance of doubt, Sellers may deliver any such notice on or prior to the Closing Date.

“GOB Stores” shall mean, individually or collectively as the context may require, the GOB Leased Stores and the GOB Owned Stores.

“Governmental Authority” shall mean any United States federal, state, municipal or local or any foreign government, governmental agency or authority, or regulatory or administrative authority, or any court, tribunal or judicial body having jurisdiction, including the Bankruptcy Court.

“Hazardous Substances” shall mean any material, substance or waste (solid, liquid, gaseous or combination thereof) defined, characterized or regulated as “hazardous,” “toxic,” “explosive,” a “pollutant” or a “contaminant” under Environmental Laws, including asbestos or any substance containing asbestos, formaldehyde, polychlorinated biphenyls, lead paint and petroleum or petroleum products (including crude oil and any fraction thereof), and by-products of any or all of the foregoing.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the relevant rules and regulations thereunder.

“HSR Filing” shall have the meaning set forth in Section 8.3(b).

“Improvements” shall mean all building systems (including HVAC, electrical, plumbing, mechanical, vertical transportation and other similar systems), leasehold alterations, improvements, structures, buildings, fixtures and equipment which are affixed to and constitute a part of any applicable real property. For the avoidance of doubt, Inventory are not Improvements.

“Inbound IP License” shall mean any Contract pursuant to which any Seller is granted any license, covenant not to sue or other rights to use any (i) Intellectual Property or (ii) data (including personal data and personally identifiable information); provided, however, that the term “Inbound IP License” shall not include any Outbound IP License.

“Initial Assigned Agreements” shall have the meaning set forth in Section 2.7(b).

“Initial Assigned Contract” shall have the meaning set forth in Section 2.7(b).

“Initial Assigned Lease” shall have the meaning set forth in Section 2.7(b).

“Intellectual Property” shall mean all intellectual property and other similar proprietary rights, anywhere in the world, whether registered or unregistered, including all rights in and to (i) all trademarks, service marks, logos, trade dress and other source identifiers and commercial indicia of origin, and all registrations and applications therefor, in each case together with the goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing (collectively the “Trademarks”), (ii) all trade names, fictitious business names, corporate names and d/b/a names, together with the goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing (collectively the “Business Names”), (iii) all domain names, URLs and IP addresses (collectively, such domain names and websites, the “Domain Names”), (iv) any social media accounts, identifiers and handles (collectively the “Media Accounts”), (v) trade secrets, know-how and confidential information, including proprietary rights in and to processes, methods, formulae, marketing and technical information, blueprints, quality assurance and control procedures, design tools and simulation capabilities (collectively, the “Know-How”), (vi) all patents and patent applications (including provisionals, continuations, divisionals, continuations-in-part, renewals, reissues, re-examinations, substitutions and extensions thereof), inventions and inventions disclosures (whether or not patentable)(collectively the “Patents”), (vii) all copyrights and registrations and applications therefor and works of authorship, moral rights, designs and mask work rights (collectively the “Copyrights”), (viii) all database rights and (ix) computer programs and applications and any other software (regardless of the stage of development or completion), including libraries, subroutines, protocols, toolsets, compilers, schematics, plugins, APIs and other components thereof, whether in source code, object code or other form, computerized databases and other computerized compilations and collections of data or information, user interfaces, command structures, report formats, templates, menus, buttons and icons, in each case, relating to computer programs or other software, and descriptions, flow charts, architectures, development tools and other materials used to design, plan, organize and develop any of the foregoing; and all related specifications and documentation (collectively, the “Software”).

“Intellectual Property Related Documentation” shall mean each of the following to the extent existing as of the Closing Date and in Sellers’ possession or control as of the Closing Date: (i) all correct and complete physical and electronic copies of all prosecution files and dockets, registration certificates, litigation files and related opinions of counsel and correspondence relating thereto for all issued, registered and applied-for items of Acquired Intellectual Property, (ii) all litigation files to the extent relating to Actions brought for the infringement, dilution, misappropriation or other violation of the Acquired Intellectual Property, (iii) all books, records, files, ledgers or similar documentation in Sellers’ possession used to track, organize or maintain any of the Acquired Intellectual Property, (iv) a list of outstanding maintenance, renewal and prosecution deadlines with respect to the applied-for, registered or issued Acquired Intellectual Property that fall within ninety (90) days following the Closing Date and (v) copies of acquisitions agreements relating to acquisitions of the Acquired Intellectual Property.

“Intellectual Property Security Agreement” shall mean that certain Intellectual Property Security Agreement, dated January 4, 2018 (at any time amended, restated, amended and restated, supplemented or otherwise modified), by and among SHC, Sears Roebuck Acceptance Corp. and Kmart Corporation, as Borrowers, and the other guarantors party thereto, and the lenders named therein, in favor of JPP, LLC, as Agent.

“Intercompany IP Agreements” shall mean any Contract under which a Seller or an Affiliate of a Seller licenses or grants any license, covenant not to sue or other rights under any of the Acquired Intellectual Property to any other Seller(s) or Affiliate(s) of any Seller.

“Inventory” shall mean goods, other than farm products, reflected in the stock ledger of the Sellers as of any date of the determination thereof, which (A) are leased by a person as lessor, (B) are held by a person for sale or lease or to be furnished under a contract of service, (C) are furnished by a person under a contract of service or (D) consist of raw materials, work in process, or materials used or consumed in a business.

“Inventory Value” shall mean, with respect to any Inventory of the Sellers, the value of such Inventory valued at the lower of cost or market value on a basis consistent with the Sellers’ current and historical accounting practice in effect on the date hereof, per the stock ledger (without giving effect to LIFO reserves and general ledger reserves for discontinued inventory, markdowns, intercompany profit, rebates and discounts, any cut off adjustments, revaluation adjustments, purchase price adjustments or adjustments with respect to the capitalization of buying, occupancy, distribution and other overhead costs reflected on the balance sheet of the Sellers in respect of Inventory).

“IP/Ground Lease Buyout Amount” shall have the meaning set forth in Section 3.1(c).

“IP/Ground Lease Property” shall mean the properties that are collateral under the IP/Ground Lease Term Loan Facility, as set forth on Schedule 1.1(d).

“IP/Ground Lease Term Loan Facility” shall mean the loan facility granted pursuant to that certain Term Loan Credit Agreement, dated as of January 4, 2018 (at any time amended, restated, amended and restated, supplemented or otherwise modified), by and between SHC, as holdings, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, the guarantors party thereto from time to time, JPP LLC as agent, and JPP LLC, JPP II LLC, Cyrus Opportunities Master Fund II, Ltd., CRS Master Fund, L.P., Crescent 1, L.P., Canary SC Master Fund, L.P., Cyrus Select Opportunities Master Fund, Ltd., Cyrus Special Strategies Master Fund, LP, and Cyrus 1740 Master Funds, LP, as lenders.

“IP Assignment Agreement” shall mean the agreement substantially in the form attached hereto as Exhibit B, to be entered into by and between Sellers, on the one hand, and Buyer or its applicable Affiliates, on the other hand.

“IP License” shall mean each Inbound IP License and each Outbound IP License, and any agreement that constitutes an “IP License” as defined in the Intellectual Property Security Agreement, in each case, for the avoidance of doubt, including the KCD Agreements.

“IP Powers of Attorney” shall mean documents appointing attorneys for Buyer or Buyer’s designees with full power to execute documents and take all other steps solely in connection with (i) effectuating and implementing the assignment of the Acquired Intellectual Property, (ii) perfecting Buyer’s right, title and interest in, to and under the Acquired Intellectual Property pursuant to such assignment and (iii) as otherwise necessary for related bona fide purposes, in each of cases (i) through (iii) in the intellectual property offices of various jurisdictions around the

world, at or after the Closing, including, (A) with respect to the applied-for, issued or registered United States Intellectual Property, the power of attorney substantially as set forth in the form at Exhibit C and (B) with respect to any Intellectual Property included in the Acquired Intellectual Property that is issued, filed or registered in a jurisdiction outside of the United States, powers of attorney suitable for recording in each such jurisdiction with terms and conditions substantially similar to those set forth in Exhibit C, except for any different terms and conditions that would be necessary in a recordable power of attorney for the respective local jurisdiction.

“IT Systems” shall have the meaning set forth in Section 6.10(e).

“Junior DIP Consideration” shall mean evidence reasonably satisfactory to the Sellers that all obligations (including any accrued and unpaid interest) of the Sellers with respect to \$350,000,000 aggregate principal amount outstanding under the Junior DIP Term Loan Agreement (or such lesser aggregate principal amount outstanding thereunder to the extent that the junior DIP facility under the Junior DIP Credit Agreement is not fully drawn as of the Closing Date) have been satisfied and released.

“Junior DIP Term Loan Agreement” shall mean that certain Superpriority Junior Lien Secured Debtor-in-Possession Credit Agreement dated as of November 29, 2018 by and among SHC, as holdings, Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, the several banks, financial institutions or other entities from time to time party thereto as Term Lenders thereunder and Cantor Fitzgerald Securities as administrative agent and collateral agent as filed with the Bankruptcy Court [Docket No. 951-2].

“KCD Agreements” shall mean all IP Licenses under which KCD IP, LLC or a Seller grants any license, sublicense, covenant not to sue or other rights under any KCD IP to any Seller prior to the Closing.

“KCD IP” shall mean any Intellectual Property owned by KCD IP, LLC as of the date hereof or as of the Closing.

“KCD Notes” shall mean the 6.90% KCD IP, LLC Asset-Backed Notes issued pursuant to the Indenture dated as of May 18, 2006, by KCD IP, LLC as Issuer and U.S. Bank National Association, as Trustee.

“Kenmore Marks” shall mean the name “KENMORE” and any name consisting of, containing or incorporating “KENMORE”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Kenmore/DieHard Business” shall have the meaning set forth in the Recitals.

“Kmart Marks” shall mean the name “KMART” and any name consisting of, containing or incorporating “KMART”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Knowledge” shall mean, with respect to any matter in question, in the case of Sellers, the knowledge after reasonable inquiry of the individuals set forth on Schedule 1.1(e) with respect to such matter.

“Know-How” shall have the definition set forth in the definition of Intellectual Property.

“L/C Facility Consideration” shall mean evidence reasonably satisfactory to the Sellers that all obligations of Sellers with respect to amounts outstanding or commitments under the Citi L/C Facility (but in no event with respect to a principal amount of greater than \$271 million) have been satisfied and released, including as contemplated by the Cyrus Financing.

“Labeling and Marketing Materials” shall mean all product labeling, product advertising, marketing and promotional materials, training materials and other similar materials, in each case created or developed by or on behalf of a Seller.

“Law” shall mean any foreign or domestic law, statute, code, ordinance, rule, regulation, order, decision, judgment, writ, stipulation, award, injunction or decree by any Governmental Authority, including all Environmental Laws and the Americans with Disabilities Act, as amended (“ADA”), together with all final and unappealable awards or decisions by an arbitrator or arbitration panel (“Arbitrator”) by which Sellers or any of the Properties, Leases or Acquired Assets is bound.

“Leases” shall mean collectively (i) the Initial Assigned Leases, and (ii) the Designatable Leases.

“Lease Premises” shall mean each of the Sellers’ or its Subsidiaries’ leased real properties that is an Initial Assigned Lease or a Designatable Lease.

“Liability” shall mean any liability, indebtedness, debt, guaranty, claim, demand, loss, damage, deficiency, assessment, responsibility, Claim, Action, proceeding or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether due or to become due, whether determined or determinable, whether choate or inchoate, whether secured or unsecured, whether matured or not yet matured) and including all costs, fees and expenses relating thereto.

“Lien” means any claim, mortgage, option, pledge, lien, encumbrance, title defect, preemptive right, restriction on transfer or other restriction of any kind (other than restrictions on transfer created under applicable securities laws, charge or other security interest).

“Managed Properties” shall have the meaning set forth in Section 8.8(b).

“Management Services” shall have the meaning set forth in Section 8.8(b).

“Management Services Period” shall mean the period commencing immediately following the Closing and (i) for each Acquired Property at which Management Services are being provided, upon (a) the earliest to occur of (1) the date that the applicable Seller receives written notice of termination from Buyer, (2) the six (6) month anniversary of the Closing Date or (3) such later

date as may be agreed by the Parties, and (ii) for each Occupancy Leased Premise, five (5) Business Days following the delivery by Buyer of a Buyer Rejection Notice with respect to such Occupancy Leased Premise.

“Management Services Reimbursements” shall have the meaning set forth in Section 8.8(b).

“Marketing Period” means the first period of fourteen (14) consecutive Business Days after the date of this Agreement and throughout each day of which Buyer shall have all of the Required Information and such Required Information is Compliant; provided that January 21, 2019 shall not be considered a Business Day for the purposes of calculating such fourteen (14) Business Day period. Notwithstanding the foregoing, the Marketing Period shall not commence and shall be deemed not to have commenced if, on or prior to the completion of such fourteen (14) consecutive Business Day period, (i) Sellers (or any Affiliate thereof) have determined that a restatement of any financial information included in the Required Information is necessary or that such restatement is under consideration, in which case the Marketing Period shall be deemed not to commence unless and until any such restatement has been completed and the applicable Required Information has been amended or Sellers (or any Affiliate thereof) have determined that no restatement shall be required, or (ii) any Required Information would not be Compliant during such fourteen (14) Business Day period. Notwithstanding the provisions of this paragraph, the Marketing Period shall end on any earlier date on which the Debt Financing is consummated; provided, that if Sellers in good faith reasonably believe that they have delivered the Required Information that is Compliant to Buyer, they may deliver to Buyer a written notice to that effect (stating when they believe they completed such delivery), in which case such Required Information shall be deemed to have been delivered on the date specified in that notice, unless Buyer in good faith reasonably believes that Sellers have not completed delivery of the Required Information or that the Required Information is not Compliant and, within two (2) Business Days after receipt of such notice from Sellers, Buyer delivers a written notice to Sellers to that effect and stating with specificity which Required Information Sellers have not delivered or the reason for which the Required Information is not Compliant, in which case, the Marketing Period shall commence upon delivery to Buyer of such specified information or when such information is Compliant.

“Material Adverse Effect” shall mean any effect, change, condition, circumstance, development or event (any of the foregoing, an “Effect”) that, individually or in the aggregate with all other Effects has had, or would reasonably be expected to have, a material adverse effect on (A) the assets, liabilities, properties, business or condition (financial or otherwise) of the Designation Rights, Acquired Assets and Assumed Liabilities taken as a whole, or (B) Sellers’ ability to consummate the Transactions pursuant to the terms hereof, in each case excluding any Effect that results from or arises out of: (i) the execution and delivery of this Agreement or the announcement thereof or the pendency or consummation of the Transactions; (ii) any change in the United States or foreign economies or securities or financial markets generally; (iii) any change arising in connection with natural disasters, earthquakes, fire, flood, hurricane, tornado or other weather event, geopolitical conditions or any outbreak or escalation of hostilities or acts of terrorism or war, military actions or any escalation or material worsening of any such hostilities or acts of terrorism or war, military actions existing or underway as of the date hereof; (iv) any

effect, change or event that is otherwise generally applicable to the industries and markets in which Sellers operate; (v) changes in (or proposals to change) Laws or accounting regulations or principles; (vi) any action expressly contemplated by this Agreement; (vii) compliance with the terms of this Agreement; or (viii) the Bankruptcy Cases and reasonably anticipated Effects thereof on the Business, the Acquired Assets or the Designation Rights; provided, however, that in the case of the foregoing clauses (ii), (iii), (iv) or (v), any such Effect shall not be deemed to be excluded solely to the extent it has a materially disproportionate adverse effect on the assets, liabilities, properties, business or condition of the Sellers, taken as a whole, compared to other Persons similarly situated in the same industry.

“Material Contracts” shall have the meaning set forth in Section 6.11(a).

“Media Accounts” shall have the meaning set forth in the definition of Intellectual Property.

“Multiemployer Plan” shall mean a “multiemployer plan” within the meaning of Section 3(37) or 4001(a)(3) of ERISA.

“Non-Recourse Parties” shall have the meaning set forth in Section 13.12.

“Non-Represented Employees” shall have the meaning set forth in Section 9.7(a).

“Occupancy Agreement” shall mean that certain Occupancy Agreement substantially in the form attached hereto as Exhibit D.

“Occupancy Expenses” shall mean, with respect to any Lease Premises, all liquidated costs, expenses, obligations and liabilities under or in connection with the applicable Lease payable or paid by any Seller, including any and all mortgage payments, base rent, percentage rent, additional rent, CAM, utilities, Property Taxes and assessments, costs of continuing the level of maintenance and security required by this Agreement, a pro rata portion of insurance (including public liability and casualty insurance) attributable to such Lease or Lease Premises and all other categories of expenses, obligations and liabilities arising or accruing under or in connection with such Lease (whether or not billed by the applicable counterparty to such Lease). For the avoidance of doubt, Occupancy Expenses shall not include any Seller’s costs and expenses of (a) any professionals retained in connection with the Bankruptcy Cases or (b) counsel of any kind except to the extent counsel is retained with respect to a Lease or Owned Real Property and not Sellers’ other operations.

“Occupancy Leased Premise” has the meaning assigned thereto in the Occupancy Agreement.

“OEA” shall have the meaning set forth in the definition of Books and Records.

“Operating Leases” shall mean each of (i) those leases or lease agreements (including ground leases) related to the real properties identified on Schedule 1.1(o) (together with all amendments, modifications, supplements and renewals thereof), and (ii) to the extent applicable to such leases and lease agreements, all non-disturbance agreements with fee owners or senior

landlords, subordination, non-disturbance and attornment agreements, waivers and consents in favor of any Seller, estoppel certificates from landlords under any such leases and lease agreements (to the extent assignable), and landlord waivers or other collateral access agreements in favor of any Seller or any asset-based lenders.

“Operating Leased Property” shall mean the real property demised pursuant to an Operating Lease.

“Operating Owned Property” shall mean the real property described in Schedule 1.1(p), including, in each case, all of the right, title and interest of Seller and its Subsidiaries to all Improvements located thereon and all easements and other rights and interests appurtenant thereto and any associated rights to parking.

“Order” shall mean any award, writ, injunction, judgment, order, decree, attachment, stay, stipulation, certification, determination, decision, verdict, ruling, subpoena, or award issued or entered by or with any Governmental Authority or Arbitrator (whether temporary, preliminary or permanent).

“Ordered Inventory” shall mean Inventory (other than Prepaid Inventory) of the type set forth on Schedule 1.1(f) that has been ordered by Sellers prior to the Closing Date but as to which Sellers have not taken title or delivery prior to the Closing Date.

“Ordinary Course of Business” shall mean the operation of the Business in the ordinary and usual course consistent with past practice as well as (and subject to) the Filing and all Orders entered in connection therewith.

“Other Payables” shall mean the accounts payable set forth on Schedule 1.1(g).

“Outbound IP License” shall mean any Contract pursuant to which any Seller has granted any license, covenant not to use or other rights under any (i) Acquired Intellectual Property or (ii) Acquired Data, in each case, whether or not, pursuant to such Contract, any Seller was granted any license, covenant not to sue or other rights to use any (A) Intellectual Property or (B) data (including personal data and personally identifiable information).

“Outside Date” shall have the meaning set forth in Section 12.1(a)(ii).

“Owned Real Property” shall mean (i) the GOB Owned Stores and (ii) the Operating Owned Properties.

“PA Liabilities” shall have the meaning set forth in Section 2.3(e).

“PA Liabilities Services Agreement” shall have the meaning set forth in Section 2.8(e).

“PartsDirect Marks” shall mean the name “PARTSDIRECT” and any name consisting of, containing or incorporating “PARTSDIRECT”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Party” or “Parties” shall mean, individually or collectively, Buyer and Sellers.

“Patents” shall have the meaning set forth in the definition of Intellectual Property.

“Payoff Letters” shall mean, with respect to the Third Amended and Restated Credit Facility, the FILO Facility, the DIP Credit Agreement and the Junior DIP Term Loan, payoff letters in form and substance reasonably satisfactory to Buyer (subject only to delivery of funds, as arranged by Buyer, the credit bids pursuant to Section 363(k) of the Bankruptcy Code described in Section 3.1(b)(ii) or other satisfaction), that provide for the full and unconditional release of any and all Liens and other security interests on the Acquired Assets (subject, in each case, only to delivery of funds as arranged by Buyer). To the extent required to effect the release in the previous sentence, such Payoff Letter shall include UCC-3 termination statements and fully executed short-form termination and release agreements with respect to any and all security interests in intellectual property that, when filed or recorded, as the case may be, will be sufficient to release any and all such security interests in intellectual property, and the authorization for the Sellers to file or record such documents (unless already filed concurrently with delivery of such Payoff Letter).

“Pending Inventory” shall mean the Ordered Inventory and the Prepaid Inventory.

“Permits” shall mean, with respect to any Lease Premises or Owned Real Property, all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates (including all certificates of occupancy), building permits, fire, health and safety permits, site plan approvals and all other planning approvals, zoning variances, conditional or special use permits (including for firearms or other special occupancies or uses), general assembly or general use permits or other similar documentation, and all Environmental Permits, approvals, clearances and Orders of a Governmental Authority.

“Permitted Encumbrances” shall mean Permitted Post-Closing Encumbrances and Permitted Pre-Closing Encumbrances.

“Permitted Post-Closing Encumbrances” shall mean (i) with respect to real property leased or owned by Sellers, zoning restrictions, building codes and other land use laws regulating the use or occupancy of real property, (ii) non-monetary encumbrances to the extent that the Approval Order does not in fact release any such Encumbrance upon Closing, (iii) any encumbrances on the interest of any landlord or sublandlord or underlying fee interest of any Acquired Lease and (iv) as otherwise set forth on Schedule 1.1(i).

“Permitted Pre-Closing Encumbrances” shall mean (i) with respect to real property leased or owned by Sellers, zoning restrictions, building codes and other land use laws regulating the use or occupancy of real property and defects of title, easements, rights of way, covenants and restrictions, and any other encumbrance, in each case, that do not, individually or in the aggregate, materially affect the value and do not materially interfere with the use and operation of the assets to which they relate, (ii) other non-monetary Encumbrances that do not, individually or in the aggregate, materially interfere with the use or market value of the assets to which they relate or which will be cleared by the Bankruptcy Court, (iii) any encumbrances on the interest of any landlord or sublandlord or underlying fee interest of any Acquired Lease, (iv) non-exclusive licenses to Intellectual Property granted to customers, suppliers and other service providers of

Sellers to the extent necessary for their respective use of the products and services of the Business or for the provision of services to Sellers and its Subsidiaries in connection therewith and entered into in the Ordinary Course of Business, (v) liens for Taxes that are not delinquent or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained to the extent required in accordance with GAAP, (vi) mechanics', carriers', workmen's, repairmen's or other similar liens arising or incurred in the Ordinary Course of Business for amounts which are (x) not due and payable and (y) not, individually or in the aggregate, material to the Business or the Acquired Assets, (vii) such other imperfections in title, charges, easements, restrictions and encumbrances which do not secure an obligation to pay money or materially interfere with the use or market value of the assets to which they relate and (viii) as otherwise set forth on Schedule 1.1(j).

"Person" shall mean any individual, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, estate, trust, association, organization or other entity or Governmental Authority.

"Petition Date" shall have the meaning set forth in the Recitals.

"Pharmacy Receivables" means Accounts (as defined under the UCC) arising from the sale of prescription drugs or other Inventory which can be dispensed only through an order of a licensed professional (including, for the avoidance of doubt, for pharmacy scripts).

"Plans and Permits" shall mean, with respect to any Lease Premises or Owned Real Property, all related reports (including engineering and environmental), surveys (boundary and topographical), plans, blueprints and other schematics, franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates (including all certificates of occupancy), building permits, fire, health and safety permits, site plan approvals and all other planning approvals, zoning variances, conditional or special use permits (including for firearms or other special occupancies or uses), general assembly or general use permits or other similar documentation, and all Environmental Permits, approvals, clearances and Orders of a Governmental Authority, together with all architect, engineer, contractor, vendor and supplier warranties and guarantees with respect to any of the foregoing and/or the related Improvements.

"Potential Acquired Assets" shall mean all assets of Seller of any kind that either (i) constitute an Acquired Asset (other than Leases or Contracts) or (ii) constitute Potential Transferred Agreements.

"Potential Transferred Agreement" shall mean (i) all Leases and (ii) all other Contracts Related to the Business to which a Seller is a party and all IP Licenses, excluding, in each case, this Agreement, the Approval Order, the Existing Financing Arrangements and any other Transaction Documents, and any engagement letters or agreements between any Seller and any estate professionals retained by such Seller. For the avoidance of doubt, the foregoing Leases and Contracts are required to be listed on the list provided by the Seller to Buyer within five (5) Business Days following the date hereof in accordance with Section 2.7.

"Pre-Assignment Tax Period" shall mean, with respect to any Acquired Asset, Acquired Property or Assumed Liability, any taxable period (or portion thereof) ending on or before the date

on which (i) the sale, transfer, assignment, conveyance or delivery of, or relating to, such Acquired Asset or Acquired Property to Buyer (or an applicable Assignee) or (ii) the assumption of such Assumed Liability by Buyer (or an applicable Assignee), in each case, is consummated, which date shall be the Closing Date or the applicable Designation Assignment Date pursuant to the terms of this Agreement.

“Prepaid Inventory” shall mean all Inventory that has been paid for by Sellers prior to the Closing Date but as to which Sellers have not taken title or delivery as of the Closing Date.

“Prepaid Inventory Shortfall Amount” shall mean an amount equal to \$147,000,000 less the amount of the Prepaid Inventory as of the Closing Date; provided, that if the Warranty Receivables Shortfall Amount is a negative number, the Prepaid Inventory Shortfall Amount shall be reduced by the absolute value of the Warranty Receivables Shortfall Amount.

“Proceeding” shall mean any claim, as defined in the Bankruptcy Code, action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority.

“Product Catalogs and Manuals” shall mean all product catalogs, manuals and user guides, in each case created or developed by or on behalf of any Seller.

“Property” shall mean any (i) each Lease Premises and (ii) each Owned Real Property.

“Property Taxes” shall have the meaning set forth in Section 2.1(i).

“Purchase Price” shall have the meaning set forth in Section 3.1.

“Real Estate Financing” shall have the meaning set forth in Section 7.4(a).

“Real Estate Financing Commitment Letter” shall have the meaning set forth in Section 7.4(a).

“Real Estate Loan 2020” shall mean the loan extended pursuant to that certain Third Amended and Restated Loan Agreement, dated June 4, 2018 (as at any time amended, restated, amended and restated, supplemented or otherwise modified), among Sears, Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innoval Solutions, Inc., Sears Holdings Management Corporation, MaxServ, Inc., Troy Coolidge No 13, LLC, Sears Development Co. and Big Beaver of Florida Development, LLC, collectively as borrowers, SHC, as guarantor, JPP, LLC as agent, and JPP, LLC, JPP II LLC and Cascade Investment, L.L.C., as lenders.

“Real Estate Loan 2020 Buyout Amount” shall have the meaning set forth in Section 3.1(c).

“Related” to any business, asset or Liability, shall mean owned or held primarily by, required primarily for, or used, intended for use, leased or licensed, primarily in connection with,

or (in the case of Liabilities) to the extent accrued, reserved or incurred in connection with, such business, asset or Liability.

“Representative” shall mean, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

“Represented Employees” shall have the meaning set forth in Section 9.7.

“Required Information” means (x) the financial information regarding the Sellers necessary and requested in writing from the Sellers prior to the date hereof for Buyer to prepare the pro forma financial statements referenced in paragraph 5(i) of Exhibit C of the ABL Commitment Letter and (y) the financial statements regarding the Sellers referenced in paragraph 5(ii) of Exhibit C of the ABL Commitment Letter; *provided*, that Buyer acknowledges that as of the date of this Agreement Buyer has received the financial information and financial statements referred to in clauses (x) and (y) of this definition).

“Retained Books and Records” shall mean (i) any documents that Sellers are required by applicable Law to retain, provided that a copy of such Books and Records that is also related to the Business, the Acquired Assets or the Assumed Liabilities shall be included in Books and Records, and Sellers shall redact from any copies included in the Retained Books and Records any information to the extent related to the Business, the Acquired Assets or the Assumed Liabilities to the extent permitted by applicable Law, (ii) corporate seals, minute books, charter documents, corporate stock record books, original Tax Returns and such other books and records, in each case, as pertaining to the organization, or share capitalization of any of Sellers, (iii) any documents, instruments, records and other written or electronic material in whatever form or media exclusively related to any of the Excluded Assets or Excluded Liabilities, (iv) copies of any Books and Records or information Related to any Excluded Assets or Excluded Liabilities, provided that a copy of such Books and Records that is also related to the Business, the Acquired Assets or the Assumed Liabilities shall be included in Books and Records, (v) confidential personnel and medical records pertaining to current and former directors, officers, employees, consultants and independent contractors of the Sellers solely to the extent that a transfer of such information would be in violation of applicable Laws and provided that Sellers shall reasonably cooperate with Buyer to enter into any Contracts that Buyer may reasonably request in order to render the provision of such information compliant with all applicable Laws, (vi) documents relating to proposals to acquire the Business or the Acquired Assets or any part thereof by any Person other than Buyer, (vii) all documents prepared in connection with this Agreement or the Transactions and (viii) all documents primarily relating to the Bankruptcy Case and copies of all documents relating to the Bankruptcy Case.

“Sears Marks” shall mean the name “SEARS” and any name consisting of, containing or incorporating “SEARS”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Sears Re” shall mean Sears Reinsurance Company Ltd., a Bermuda Class 3 insurer.

“Second Lien Credit Agreement” shall mean that certain Second Lien Credit Agreement, dated as of September 1, 2016 by and among Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, SHC, JPP LLC, as administrative agent and collateral administrator, JPP LLC and JPP II LLC, as lenders, and the guarantors party thereto from time to time.

“Second Lien Line of Credit Facility” shall mean the line of credit facility granted pursuant to an amendment to the Second Lien Credit Agreement.

“Second Lien Term Loan” shall mean the term loan granted pursuant to the Second Lien Credit Agreement.

“Second Lien PIK Notes” shall mean those certain 6 5/8% secured convertible notes due October 2019, issued by SHC pursuant to that certain Indenture, dated March 20, 2018 (as at any time amended, restated, amended and restated or otherwise modified) by and among SHC, as issuer, Computershare Trust Company, N.A., as trustee, and California Builder Appliances, Inc., Florida Builder Appliances, Inc., Kmart Corporation, Kmart Holding Corporation, Kmart Operations LLC, Sears Operations LLC, Sears, Roebuck and Co., Sears Holdings Management Corporation, Sears Home Improvement Products, Inc., Sears Roebuck Acceptance Corp., A&E Factory Service, LLC, A&E Home Delivery, LLC, A&E Lawn & Garden, LLC, A&E Signature Service, LLC, KLC, Inc., Kmart of Michigan, Inc., Private Brands, Ltd., Sears Brands Management Corporation, Sears Protection Company, Sears Protection Company (Florida) L.L.C., Sears Roebuck de Puerto Rico, Inc., SOE, Inc., Starwest, LLC, Kmart.com LLC, Kmart of Washington LLC, Kmart Stores of Illinois LLC, Kmart Stores of Texas LLC, and Mygofer LLC, as guarantors.

“Securities Consideration” means debt or equity securities in Buyer, in an amount and form to be determined by Buyer in an amount and form reasonably acceptable to Buyer, including as to subordination.

“Security Deposit Documents” shall have the meaning set forth in Section 2.1(o).

“Security Deposits” shall have the meaning set forth in Section 2.1(o).

“Seller” and “Sellers” shall have the meanings set forth in the Preamble.

“Seller Instructions” shall have the meaning set forth in Section 2.8(c).

“Seller Retained Occupancy Agreement” shall mean that certain Seller Retained Occupancy Agreement in the form attached hereto as Exhibit F.

“Seller SEC Reports” shall have the meaning set forth in Section 6.12.

“Seller Products” shall mean any product manufactured, sold, offered for sale or otherwise distributed by a Seller within the scope of the Business.

“Seller Releasing Party” shall have the meaning set forth in Section 9.13.

“Seller Services” shall mean any service of the type provided by a Seller within the scope of the Business.

“Seritage Master Lease” shall mean the Master Lease by and among Seritage SRC Finance LLC, Seritage KMT Finance LLC, Kmart Operations, LLC, and Sears Operations, LLC, dated as of July 7, 2015, as modified by the Side Letter to Master Lease, by and among Seritage SRC Finance LLC, Seritage KMT Finance LLC, Kmart Operations, LLC, and Sears Operations, LLC, dated as of July 7, 2015.

“Service Providers” shall mean the current and former directors, officers, employees, consultants and independent contractors of Sellers and their Affiliates.

“ServiceLive Marks” shall mean the name “SERVICELIVE” and any name consisting of, containing or incorporating “SERVICELIVE”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Severance Reimbursement Obligations” shall have the meaning set forth in Section 9.7(i).

“SHC” shall have the meaning set forth in the Preamble.

“SHIP Closing” shall mean the Closing (as defined in the SHIP Purchase Agreement).

“SHIP Purchase Agreement” means that certain SHIP Asset Purchase Agreement entered into as of November 2, 2018 by and between SHC, a Delaware corporation, and Service.com, Inc., a Delaware corporation (as may be amended from time to time).

“SHIP Purchase Agreement Assets” means the Transferred Assets (as defined in the SHIP Purchase Agreement).

“SHIP Purchase Agreement Liabilities” means the Assumed Liabilities (as defined in the SHIP Purchase Agreement).

“Shop Your Way Marks” shall mean the name “SHOP YOUR WAY” and any name consisting of, containing or incorporating “SHOP YOUR WAY”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Short Form Assignments” shall mean (i) with respect to any Trademarks, Patents or Copyrights issued, filed or registered in the United States and included in the Acquired Intellectual Property, agreements substantially in the form of Schedule 1, Schedule 2 or Schedule 3 of the IP Assignment Agreement, (ii) with respect to any Domain Names included in the Acquired Intellectual Property, an agreement substantially in the form of Schedule 4 of the IP Assignment Agreement and (iii) with respect to any Intellectual Property included in the Acquired Intellectual Property that is issued, filed or registered in a jurisdiction outside of the United States, an assignment agreement suitable for recording in the relevant jurisdictions with terms and conditions substantially similar to those set forth in Schedule 1, Schedule 2 or Schedule 3 of IP Assignment

Agreement, except for any different terms and conditions that would be necessary in a recordable assignment agreement for the respective local jurisdiction, in each case of clauses (i) through (iii) to be entered into by and between a Seller, on the one hand, and Buyer or its applicable Affiliates, on the other hand (clauses (i) through (iii) shall include each of the issued, registered or applied-for items of Intellectual Property included in the Acquired Intellectual Property).

“Smart Sense Marks” shall mean the name “SMART SENSE” and any name consisting of, containing or incorporating “SMART SENSE”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“Software” shall have the meaning set forth in the definition of Intellectual Property.

“Sparrow Properties” shall mean the real properties set forth on Schedule 1.1(q).

“Specified Receivables” shall mean the accounts receivable set forth on Schedule 1.1(k).

“Specified Receivables Shortfall Amount” shall mean an amount equal to \$255,200,000 less the amount of the Specified Receivables delivered to Buyer at Closing.

“Sponsor” shall have the meaning set forth in Section 7.4(a).

“Straddle Period” shall have the meaning set forth in Section 9.2(d).

“Store Cash” shall mean any cash of the Sellers in the registers or otherwise held at any Operating Lease Property or any Operating Owned Property, in an amount not to exceed \$17,000,000.

“Subsidiary” shall mean, with respect to any Person, any other Person where a majority of its outstanding voting or equity interests are held, directly, or indirectly through one or more intermediaries, by such Person.

“Tax” or “Taxes” shall mean any federal, state, provincial, local, municipal, foreign or other taxes, duties, levies, governmental charges or assessments or deficiencies thereof, including all income, alternative, minimum, franchise, capital stock, net worth, capital gains, profits, intangibles, gross receipts, value added, sales, use, goods and services, excise, customs, transfer, recording, occupancy, employment, unemployment, social security, payroll, withholding, estimated or other taxes, duties, levies or other governmental charges or assessments or deficiencies thereof (including all interest and penalties thereon and additions thereto), in each case imposed by any Governmental Authority.

“Tax Opinion” shall mean an opinion at a “more likely than not” or higher standard as to the tax consequences of any of the transactions described in Article II.

“Tax Proceeding” shall mean any audit, examination, investigation or other administrative or judicial proceeding with or against any Governmental Authority or otherwise with respect to Taxes.

“Tax Reorganization” shall have the meaning set forth in Section 2.12.

“Tax Result” shall mean (i) the minimization of the net amount of Taxes imposed on, and (ii) the maximization of the aggregate amount of the Tax attributes described in section 108(b)(2) of the Code available for utilization by, in each case, (x) Buyer or the group of affiliated corporations (within the meaning of section 1504(a) of the Code) of which Buyer is the parent (or a member) or (y) Buyer or any combined group of which it is a member for state Tax purposes.

“Tax Return” shall mean any return, declaration, report, claim for refund, information return or other document (including any related or supporting estimates, elections, schedules, statements, or information) filed with or required to be filed with any Governmental Authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws, regulations or administrative requirements relating to any Tax.

“Third Amended and Restated Credit Agreement” shall mean that certain Third Amended and Restated Credit Agreement dated as of July 21, 2015 (as at any time amended, restated, amended and restated, supplemented or otherwise modified), by and among Sears Roebuck Acceptance Corp. and Kmart Corporation, as borrowers, SHC, Bank of America, N.A., as administrative agent, co-collateral agent and swingline lender, Wells Fargo Bank, National Association as co-collateral agent, Wells Fargo Bank, National Association as syndication agent, PNC Bank, National Association, Siemens Financial Services, Inc., Ally Bank and Citigroup Global Markets Inc. as co-documentation agents, Merrill Lynch Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association, as joint lead arrangers, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association, PNC Bank, National Association and Citigroup Global Markets Inc. as joint bookrunners pursuant to which Third Amended and Restated Credit Agreement Sears Roebuck Acceptance Corp. and Kmart Corporation entered into two senior secured term loan facilities as well as a \$1.5 billion asset-based revolving credit facility with a syndicate of lenders.

“Title Company” shall have the meaning set forth in Section 9.9.

“Titled Property” shall have the meaning set forth in Section 9.9.

“Trademarks” shall have the meaning set forth in the definition of Intellectual Property.

“Transaction Documents” shall mean this Agreement and any other agreements, instruments or documents entered into pursuant to this Agreement.

“Transactions” shall mean the transactions contemplated to be consummated by this Agreement and the Transaction Documents, including the purchase and sale of the Designation Rights and the Acquired Assets and the assumption of the Assumed Liabilities provided for in this Agreement.

“Transfer Taxes” shall have the meaning set forth in Section 9.3(a).

“Transferred Employees” shall have the meaning set forth in Section 9.7(a).

“UCC” shall mean the Uniform Commercial Code as from time to time in effect in the State of Delaware.

“Wally Marks” shall mean the name “WALLY” and any name consisting of, containing or incorporating “WALLY”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

“WARN Act” shall mean the Worker Adjustment and Retraining Notification Act of 1988, as amended, any similar Law (including any similar local, state or non-U.S. notice requirement relating to the termination of employees), and the rules and regulations thereunder.

“Warranty Receivables” shall mean those certain accounts receivable set forth on Schedule 1.1(I).

“Warranty Receivables Shortfall Amount” shall mean an amount equal to \$53,600,000 less the amount of the Warranty Receivables delivered to Buyer at Closing; provided, that if the Prepaid Inventory Shortfall Amount is a negative number, the Warranty Receivables Shortfall Amount shall be reduced by the absolute value of the Prepaid Inventory Shortfall Amount.

“Weatherbeater Marks” shall mean the name “WEATHERBEATER” and any name consisting of, containing or incorporating “WEATHERBEATER”, and all designs and logos associated therewith, in each case, together with all variations thereof; and all Trademarks, Business Names, Domain Names and Media Accounts consisting of, containing or incorporating any of the foregoing.

Section 1.2 Other Definitions and Interpretive Matters.

(a) Unless otherwise indicated to the contrary in this Agreement by the context or use thereof:

(i) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a day other than a Business Day, the period in question shall end on the next succeeding Business Day.

(ii) Any reference in this Agreement to “dollars” or “\$” means U.S. dollars.

(iii) Unless the context otherwise requires, all capitalized terms used in the Exhibits and Schedules shall have the respective meanings assigned in this Agreement. No reference to or disclosure of any item or other matter in the Exhibits and Schedules shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in the Exhibits and Schedules. No disclosure in the Exhibits and Schedules relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. Solely to the extent any Schedule

is related to any representation or warranty contained in this Agreement, any information, item or other disclosure set forth in any Schedule shall be deemed to have been set forth in all other applicable Schedules relating to representations or warranties contained in this Agreement if the relevance of such disclosure to such other Schedule is reasonably apparent on the face of such disclosure. All Exhibits and Schedules attached or annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

(iv) Any reference in this Agreement to gender includes all genders, and words importing the singular number also include the plural and vice versa.

(v) The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement. All references in this Agreement to any "Section," "Article," "Schedule," or "Exhibit" are to the corresponding Section, Article, Schedule, or Exhibit of or to this Agreement unless otherwise specified.

(vi) Words such as "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires.

(vii) The word "extent" and the phrase "to the extent" when used in this Agreement shall mean the degree to which a subject or other thing extends, and such word or phrase shall not merely mean "if."

(viii) The word "including" or any variation thereof means "including, without limitation," and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(ix) References to "any" shall mean "any and all," and "or" is used in the inclusive sense of "and/or."

(b) No Strict Construction. Buyer, on the one hand, and Sellers, on the other hand, participated jointly in the negotiation and drafting of this Agreement, and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by Buyer, on the one hand, and Sellers, on the other hand, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Without limitation as to the foregoing, no rule of strict construction construing ambiguities against the draftsperson shall be applied against any Person with respect to this Agreement.

ARTICLE II

PURCHASE AND SALE

Section 2.1 Purchase and Sale of the Acquired Assets. Upon the terms and subject to the conditions of this Agreement, and subject to Section 2.6 and Article V with respect to the Designation Rights and Designatable Leases, and Section 2.7(d), Section 2.9 and Article V with respect to Additional Contracts, on the Closing Date, Sellers shall sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered, to Buyer or the applicable Assignee, and Buyer or such applicable Assignee shall purchase, all right, title and interest of Sellers, in, to or under all assets, properties and rights Related to the Business other than the Excluded Assets, and the following assets, properties and rights (collectively, the “Acquired Assets”) free and clear of any and all Encumbrances of any kind, nature or description and any Claims, in each case other than Permitted Post-Closing Encumbrances and those rights subject to Section 365(n) of the Bankruptcy Code to the extent applicable:

- (a) the Assigned Agreements and the Designation Rights;
- (b) all Acquired Lease Rights;
- (c) all Owned Real Property;
- (d) all Acquired Inventory, all Acquired Receivables, all Acquired Equipment and all Acquired Improvements;
- (e) all Intellectual Property owned (whether solely or jointly with others) by Sellers, including (i) the Sears Marks, the Kmart Marks, the Shop Your Way Marks, the ServiceLive Marks, the PartsDirect Marks, the Wally Marks, the Smart Sense Marks, the Weatherbeater Marks, the Kenmore Marks registered or applied for outside of the United States and the DieHard Marks registered or applied for outside of the United States, (ii) the Trademarks, listed on Schedule 2.1(a)(i) attached hereto, (iii) the Business Names listed on Schedule 2.1(a)(ii) attached hereto, (iv) the Patents listed on Schedule 2.1(a)(iii) attached hereto, (v) the Copyrights listed on Schedule 2.1(a)(iv) attached hereto, (vi) the Domain Names listed on Schedule 2.1(a)(v) attached hereto, (vii) the Media Accounts listed on Schedule 2.1(a)(vi) attached hereto and (viii) all Intellectual Property that constitutes “Collateral” as defined in the Intellectual Property Security Agreement (collectively, the “Acquired Intellectual Property”), in each case of the foregoing together with the rights (A) to sue and recover damages and obtain equitable relief for past, present and future infringement, misappropriation, dilution or other violation thereof, (B) to collect past and future royalties and other payments thereunder, (C) to claim priority thereon under any Law, (D) to prosecute, register, maintain and defend such Intellectual Property before any public or private agency, office or registrar and (E) to fully and entirely stand in the place of Sellers, as applicable, in all matters related thereto; for the avoidance of doubt, Buyer and Sellers hereby acknowledge and agree that as of the Closing Date, Buyer shall be the successor in interest to each of the businesses of Sellers to which the Trademarks included in the Acquired Intellectual Property pertain, and such businesses shall be ongoing and existing;

(f) all goodwill and other intangible assets associated with or connected to the Business or symbolized by any of the Acquired Intellectual Property and all goodwill of the businesses in which the Trademarks and Business Names included in the Acquired Intellectual Property are used and all goodwill connected with the use of and symbolized by the foregoing;

(g) (i) all data owned or controlled (meaning any data Sellers have the ability to transfer in compliance with applicable Law) by any of the Sellers and contained in Sellers' IT Systems, data centers or databases stored by third parties on behalf of Sellers or otherwise collected, accessed, acquired, stored, protected, used, re-used or otherwise processed by or on behalf of a Seller to the extent the sale or transfer of such data is not in contravention with applicable Law or any of any Seller's applicable privacy policies or contractual restrictions, (ii) Customer Data to the extent the sale or transfer of such Customer Data is not in contravention with applicable Law or any of any Seller's applicable privacy policies or contractual restrictions and (iii) all other data that constitutes "Collateral" as defined in the Intellectual Property Security Agreement, to the extent the sale or transfer of such data is not in contravention with applicable Law or any of any Seller's applicable privacy policies or contractual restrictions (the data described in this clause (iii), together with the data described in clauses (i) and (ii), the "Acquired Data");

(h) any Claims, causes of action, claims, rights of recovery or rights of set-off arising under any IP Licenses included in the Assigned Agreements on or after the Closing Date, and the right to collect past and future royalties and other payments, as well as prepaid expenses of Sellers thereunder;

(i) any and all real (including real estate taxes, assessments and related governmental impositions both general and special imposed under the laws of any one or more jurisdictions in which the applicable Lease Premises is located against the land, buildings and other improvements), personal and intangible property Taxes ("Property Taxes") that are prepaid with respect to such Acquired Lease or any other related Acquired Assets; provided, that such Property Taxes are Assumed Liabilities or Liabilities for which Buyer is otherwise responsible hereunder;

(j) any interest in or right to any refund, rebate or credit of Taxes that are Assumed Liabilities or for which Buyer is otherwise responsible hereunder including (for the avoidance of doubt) any such refund, rebate or credit of a Tax that becomes payable or available to Sellers in the future in respect of a Tax previously paid or otherwise incurred by Buyer pursuant to Section 3.5;

(k) all rights (but not obligations) of Sellers under any non-disclosure or confidentiality, non-compete or non-solicitation agreements, to the extent any such agreement relates to the Business or any Acquired Asset;

(l) all assignable Assigned Plans and Permits that are Related to the Business;

(m) any and all Books and Records (which, with respect to any electronic forms thereof, may be copies) and any and all Intellectual Property Related Documentation;

(n) all Labeling and Marketing Materials and Product Catalogs and Manuals owned by Sellers;

(o) any and all rights of Sellers in and to any restricted cash, security deposits, letters of credit, escrow deposits and cash collateral, including cash collateral given to obtain or maintain letters of credit and cash drawn or paid on letters of credit, utility deposits, performance, payment or surety bonds, credits, allowance, prepaid rent or other assets, charges, setoffs, prepaid expenses, other prepaid items and other security (collectively, "Security Deposits"), together with all contracts, agreements or documents evidencing or related to the same (collectively, "Security Deposit Documents"), in each case to the extent related to any Acquired Asset;

(p) any and all Claims (other than returns of merchandise for warranty claims (except, for the avoidance of doubt, to the extent comprising Assumed Liabilities) and excluding any Claims Related to an Excluded Asset or Excluded Liability) of Sellers as of the Closing to the extent related to the Business or any Acquired Asset;

(q) subject to Section 5.1(a)(v), Section 5.1(a)(vi) and Section 9.8(c), any and all insurance proceeds, warranty proceeds, condemnation awards or other compensation in respect of loss or damage to the Business or any Acquired Asset (and any right or claim of Sellers to any such proceeds, awards or other compensation), in each case, to the extent relating to a casualty occurring prior to, on or after the date hereof, and whether received prior to, on or after Closing Date, but less any proceeds in respect of the Acquired Assets set forth on Schedule 2.1(q) in an aggregate amount not to exceed \$13,000,000.

(r) subject to Section 2.8(e), the KCD Notes from Sears Re as Seller;

(s) all equity interests of SRC O.P. LLC owned by SRC Sparrow 2 LLC as Seller; provided, that if either (i) SRC Sparrow 2 LLC has filed a petition for relief commencing a case under chapter 11 of the Bankruptcy Code for the purpose of selling such equity interests in SRC O.P. LLC, and Buyer or its Affiliate has purchased such equity interests pursuant to a chapter 11 plan of reorganization or a sale of assets pursuant to section 363(m) of the Bankruptcy Code or (ii) Buyer shall have acquired the Sparrow Properties pursuant to foreclosure, then Buyer shall be deemed to have purchased the equity interests in SRC O.P. LLC described in this subsection (s);

(t) all Actions and other rights, rebates, refunds, audits, rights of recovery, rights of setoff, rights of recoupment, rights of reimbursement, rights of indemnity or contribution and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable) against any Person, including all warranties, representations, guarantees, indemnities and other contractual claims (express, implied or otherwise), in each case to the extent related to the Business or any Acquired Asset (excluding for the avoidance of doubt, any Claims arising under any Transaction Document), including, subject to the terms and conditions of the SHIP Purchase Agreement and applicable Law, if the SHIP Closing shall have occurred prior to the Closing Date, the indemnities set forth in Section 6.08(b) and Section 6.08(e) of the SHIP Purchase Agreement;

(u) all Contracts Related to the Business (i) that include a manufacturer's warranty relating to Seller Products or Seller Services and (ii) relating to repair services provided by the Business in relation to Seller Products or Seller Services;

(v) the Buyer Party Release;

(w) all assets, properties and rights that constitute “Collateral” as defined in the Intellectual Property Security Agreement, other than data which is the subject of Section 2.1(g); and Intellectual Property which is the subject of Section 2.1(e);

(x) the right to receive the Pending Inventory;

(y) the Credit Card Claims;

(z) either (i) the SHIP Purchase Agreement Assets, if the SHIP Closing shall not have occurred prior to the Closing Date (in which circumstance, for the avoidance of doubt, any Owned Real Property (as defined in the SHIP Purchase Agreement) shall be deemed Operating Owned Property, and all Leased Real Property (as defined in the SHIP Purchase Agreement) shall be deemed Operating Leased Property), or (ii) any and all proceeds received by Sellers pursuant to the SHIP Purchase Agreement, if the SHIP Closing shall have occurred prior to the Closing Date;

(aa) the Store Cash;

(bb) to the extent permitted by Law, all licenses or permits granted by any Governmental Authority held by Sellers that are necessary for the provision or assumption of the PA Liabilities; and

(cc) any proceeds from the sale or other disposition of the collateral pledged to secure the applicable debt obligations with respect to the credit bids set forth in Section 3.1(b) to which the holders of Claims secured by such collateral has attached.

Section 2.2 Excluded Assets. Nothing contained herein shall be deemed to sell, transfer, assign, convey or deliver, or cause to be sold, transferred, assigned, conveyed or delivered, any right, title or interest of Sellers in, to or under the Excluded Assets. “Excluded Assets” shall mean:

(a) any Contract that is not an Assigned Agreement;

(b) any lease, sublease or similar agreement that is not a Lease and any Designatable Lease that is not designated for assumption by the Seller and assignment to Buyer pursuant to the terms of this Agreement;

(c) any real property interest of any kind or nature that is not Related to Owned Real Property or the Assigned Leases;

(d) all Excluded Inventory, all Excluded Equipment and all Excluded Improvements;

(e) this Agreement and the other Transaction Documents;

(f) except as otherwise expressly included as Acquired Assets, all cash and cash equivalents (including any cash of the Sellers in the registers or otherwise held at any Operating Lease Property or any Operating Owned Property in excess of Store Cash), including checks, commercial paper, treasury bills, certificates of deposit and other bank deposits;

- (g) the Retained Books and Records;
- (h) any interest in or right to any refund, rebate or credit of Excluded Asset-Reorganization Taxes (including, for the avoidance of doubt, with respect to any Taxes for which Sellers remain liable); provided, however, that if Buyer makes the election under Section 2.12(b) to treat all the transactions described in this Article II as Designated Sale Transactions (resulting in no transfer of Sellers' Tax attributes to Buyer), then this Section 2.2(h) shall also include any interest in or right to any refund, rebate or credit of Excluded Asset-Sale Taxes;
- (i) all Claims and Proceedings of Sellers (other than Claims described in Section 2.1(p));
- (j) all Avoidance Actions;
- (k) the Excluded IT;
- (l) except as otherwise expressly included as Acquired Assets, all shares of capital stock or other equity interests of any Seller or Subsidiary of the Seller or securities convertible into or exchangeable or exercisable for shares of capital stock or other equity interests of any Seller, Subsidiary of the Seller or any other Person;
- (m) all Employee Plans, including any assets, trust agreements or other funding Contracts related thereto;
- (n) all bank accounts;
- (o) any accounts receivable other than the Acquired Receivables;
- (p) if the SHIP Purchase Agreement shall have terminated prior to the Closing Date, all rights of any Seller to (i) the Deposit Escrow Amount (as defined in the SHIP Purchase Agreement) or (ii) any other claims against Buyer (as defined in the SHIP Purchase Agreement); and
- (q) the SHIP Asset Purchase Agreement Assets (if the SHIP Closing shall have occurred prior to the Closing Date).

Section 2.3 Assumption of Liabilities. Upon the terms and subject to the conditions of this Agreement, on the Closing Date Buyer, or the applicable Assignee, shall assume, effective as of the Closing, and shall timely perform and discharge in accordance with their respective terms, the following Liabilities (collectively, the "Assumed Liabilities"):

- (a) all Liabilities of the Seller or any of its Subsidiaries arising out of the ownership of the Acquired Assets or operation of the Business or the Acquired Assets on or after the Closing Date that are Related to any Acquired Asset;
- (b) all Liabilities arising on or after the Closing Date or Designation Assignment Date, as applicable, relating to the payment or performance of obligations with respect to the Assigned Agreements;

(c) all Liabilities arising on or after the Closing Date from or related to any Claim, Action, arbitration, audit, hearing, investigation, suit, litigation or other proceeding (whether civil, criminal, administrative, investigative, or informal and whether pending or threatened or having any other status) arising out of the Assumed Liabilities, the Acquired Assets or the operation of the Business on or after the Closing Date (but not prior to the Closing Date) or relating to facts, actions, omissions, circumstances or conditions existing, occurring or accruing on or after the Closing Date (but not prior to the Closing Date) that are Related to the Acquired Assets or the Assumed Liabilities;

(d) Buyer's obligation to pay the Buyer Occupancy Costs;

(e) subject to Section 2.8(e), all Liabilities for warranties and protection agreements or other services contracts (other than warranties relating to Intellectual Property) for the goods and services of Sellers sold or performed prior to the Closing, including any Liabilities owed by Sears Re to any Seller in respect of reinsurance of such warranties and protection agreements (the "PA Liabilities");

(f) all Assumed Customer Credits;

(g) all Cure Costs solely with respect to the Assigned Agreements;

(h) all Excluded Asset-Sale Taxes (except if otherwise provided in Section 2.4(i));

(i) all Liabilities resulting from actions or inactions taken by the Sellers or any Affiliate of Sellers in compliance with Section 9.2;

(j) all Liabilities with respect to the Transferred Employees (i) to the extent arising as a result of an event, action or omission that occurs on or following the Closing or (ii) expressly assumed by Buyer and its Subsidiaries pursuant to Section 9.7;

(k) the Severance Reimbursement Obligations, Assumed 503(b)(9) Liabilities, Other Payables and all payment obligations with respect to the Ordered Inventory; provided, that:

(i) Buyer shall not be required to make any payments with respect to the Other Payables until the later of (1) the Closing Date and (2) the date that the applicable obligation thereunder becomes due in the Ordinary Course of Business;

(ii) Buyer shall not be required to make any payments with respect to Assumed 503(b)(9) Liabilities until the earlier of (1) the date that is 120 days following the Closing Date and (2) the date on which a chapter 11 plan of reorganization is confirmed by the Bankruptcy Court with respect to the Debtors;

(iii) Buyer's obligations with respect to the Severance Reimbursement Obligations shall not exceed \$43,000,000 in the aggregate, and notwithstanding Section 2.3(k)(i), the timing of such reimbursement shall be made in accordance with Section 9.7(i);

(iv) Buyer's obligations with respect to the Assumed 503(b)(9) Claims shall not exceed \$139,000,000 in the aggregate;

(v) Buyer's obligations with respect to the Other Payables shall not exceed \$166,000,000 in the aggregate;

(vi) In the event that the Aggregate DIP Shortfall Amount is a positive number, Buyer's obligations to assume the Liabilities described in this clause (k) shall be reduced dollar for dollar by the Aggregate DIP Shortfall Amount in the following order, until the aggregate amount of all such reductions is equal to the Aggregate DIP Shortfall Amount: *first*, the Severance Reimbursement Obligations, *second*, the Other Payables and *third*, the Assumed 503(b)(9) Claims. The allocation of any reduction determined in accordance with the previous sentence of (A) the amount of the Assumed 503(b)(9) Claims among any specific Assumed 503(b)(9) Claims and (B) the amount of the Other Payables among any specific Other Payables shall be determined by Buyer in its sole discretion;

(vii) In the event that the Specified Receivables Shortfall Amount is a positive number, Buyer's obligations to assume the Severance Reimbursement Obligations and the Assumed 503(b)(9) Claims shall be reduced dollar for dollar by the Specified Receivables Shortfall Amount in the following order, until the aggregate amount of all such reductions is equal to the Specified Receivables Shortfall Amount: *first*, the Severance Reimbursement Obligations and *second*, the Assumed 503(b)(9) Claims. The allocation of any reduction determined in accordance with the previous sentence of the amount of the Assumed 503(b)(9) Claims among any specific Assumed 503(b)(9) Claims shall be determined by Buyer in its sole discretion;

(viii) In the event that the Warranty Receivables Shortfall Amount is a positive number, Buyer's obligations to assume the Severance Reimbursement Obligations and the Assumed 503(b)(9) Claims shall be reduced dollar for dollar by the Warranty Receivables Shortfall Amount in the following order, until the aggregate amount of all such reductions is equal to the Warranty Receivables Shortfall Amount: *first*, the Severance Reimbursement Obligations and *second*, the Assumed 503(b)(9) Claims. The allocation of any reduction determined in accordance with the previous sentence of the amount of the Assumed 503(b)(9) Claims among any specific Assumed 503(b)(9) Claims shall be determined by Buyer in its sole discretion;

(ix) In the event that the Prepaid Inventory Shortfall Amount is a positive number, Buyer's obligations to assume the Severance Reimbursement Obligations and the Assumed 503(b)(9) Claims shall be reduced dollar for dollar by the Prepaid Inventory Shortfall Amount in the following order, until the aggregate amount of all such reductions is equal to the Prepaid Inventory Shortfall Amount: *first*, the Severance Reimbursement Obligations and *second*, the Assumed 503(b)(9) Claims. The allocation of any reduction determined in accordance with the previous sentence of the amount of the Assumed 503(b)(9) Claims among any specific Assumed 503(b)(9) Claims shall be determined by Buyer in its sole discretion; and

(x) Notwithstanding anything to the contrary herein or in the Approval Order, and for the avoidance of doubt, the Buyer's agreement to pay Assumed 503(b)(9) Claims, Specified Payables, or any other administrative or priority claim of the Sellers pursuant to the terms hereof is a general unsecured contractual obligation of the Buyer owed solely to the Sellers.

(l) the Assumed Property Tax Liabilities;

(m) the SHIP Purchase Agreement Liabilities (if the SHIP Closing shall not have occurred prior to the Closing Date);

(n) all Liabilities relating to amounts required to be paid by Buyer under the Transaction Documents; and

(o) all Liabilities arising prior to, at or after the Closing Date under or pursuant to any Environmental Law relating to the presence of Hazardous Substances at, on, in, under or migrating to or from any Acquired Asset.

Section 2.4 Excluded Liabilities. None of Buyer, any Affiliate of Buyer or any Assignee shall assume, be deemed to assume or become obligated hereunder in any way to pay or perform (whether as a successor to any Seller or otherwise) any Liabilities of any Sellers or any of their respective Affiliates of any kind or nature, known, unknown, contingent or otherwise, whether direct or indirect, matured or unmatured, other than the Assumed Liabilities, (the foregoing including the following, the "Excluded Liabilities") which shall include the following Liabilities:

(a) all Liabilities of the Seller or any of its Subsidiaries arising out of the ownership of the Acquired Assets or operation of the Business or the Acquired Assets prior to the Closing Date other than Cure Costs, Other Payables, the Assumed 503(b)(9) Claims, Severance Reimbursement Obligations, and Ordered Inventory;

(b) all Liabilities relating to the payment or performance of obligations arising solely out of facts or circumstances in existence prior to the Closing Date or Designation Assignment Date, as applicable, with respect to the Assigned Agreements;

(c) all Liabilities arising from or related to any claim, Action, arbitration, audit, hearing, investigation, suit, litigation or other proceeding (whether civil, criminal, administrative, investigative, or informal and whether pending or threatened or having any other status) arising out of the Assumed Liabilities, the Acquired Assets or the operation of the Business prior to the Closing Date or relating to facts, actions, omissions, circumstances or conditions existing, occurring or accruing prior to the Closing Date against any Seller or its Affiliates;

(d) all Liabilities to the extent arising prior to the Closing Date or arising from or related to the operation of a Seller's business or any of Sellers' products or services, including any Liability relating to (i) design or manufacturing defects (whenever discovered) and (ii) warranties, product liability, safety or other Liability, in the cases of clauses (i) and (ii), relating to any product sold or manufactured by any Seller or any of its Affiliates;

(e) all Liabilities in respect of any indebtedness of any Seller or guaranty obligations relating to any such Indebtedness of any Seller;

(f) all Liabilities (i) under the Employee Plans, including all Liabilities in respect of (A) any compensation earned by any Business Employee or otherwise accrued or payable to or with respect to any Business Employee prior to the Closing, unless expressly assumed by Buyer pursuant to Section 9.7, and (B) any Taxes related thereto, (ii) relating to (A) all current and former employees of Seller and Service Providers and its Subsidiaries (including the Business Employees) to the extent arising as a result of an event, action or omission that occurs prior to the Closing and (B) all current and former employees of Seller and Service Providers and its Subsidiaries who do not become Transferred Employees (except to the extent subject to the Severance Reimbursement Obligations) and (iii) those Liabilities relating to the Transferred Employees expressly retained by Seller pursuant to Section 9.7;

(g) except as otherwise provided for in Section 2.3(o), all Liabilities of the Seller or any of its Subsidiaries relating to (i) fines or penalties arising from noncompliance with Environmental Laws occurring prior to the Closing Date, including (ii) Claims for personal injury or property damage related to exposure occurring prior to the Closing Date to Hazardous Substances present at, on, in, under or migrating to or from any Acquired Asset or (iii) the offsite disposal of Hazardous Substances occurring prior to the Closing Date;

(h) any Excluded Asset-Reorganization Taxes;

(i) if (A) Buyer makes the election under Section 2.12(b) to treat all the transactions described in this Article II as Designated Sale Transactions (resulting in no transfer of Sellers' Tax attributes to Buyer), (B) such transactions do not result in a transfer of substantially all of Sellers' Tax attributes to Buyer solely as a result of Sellers' failure to make good faith efforts to comply with Section 9.2(a), or (C) the Internal Revenue Service successfully asserts (for which assertion there is a final determination), that none of Sellers' Tax attributes transferred to Buyer, Excluded Asset-Sale Taxes (but in the case of clause (C) in respect of a Tax arising in any period prior to any such final determination, only to the extent Sellers actually obtain a refund or other current economic Tax reduction in respect of the applicable Taxes); provided, however, that if Buyer makes the election under Section 2.12(b) to treat all the transactions described in this Article II as Designated Sale Transactions and the Internal Revenue Service successfully asserts that a transfer of any such Tax attributes to Buyer shall have occurred notwithstanding such Buyer election, then Excluded Asset-Sale Taxes shall not be an Excluded Liability to the extent any such tax would have been reduced or eliminated had the Sellers' Tax attributes not transferred to Buyer (taking into account Tax attributes Sellers would have had if all transactions described in Article II were Designated Sale Transactions and respected as such by the Internal Revenue Service);

(j) all Liabilities with respect to any brokerage or finders' fees or agents' commissions or other similar payment in connection with the Transactions incurred by any Seller;

(k) all Liabilities under this Agreement or any documents or instruments executed and delivered by Seller and its Affiliates pursuant to this Agreement;

(l) all Liabilities relating to or arising, whether before, on or after the Closing Date or, subject to Article V, any applicable Designation Assignment Date, out of, or in connection with, the Excluded Assets;

(m) all Liabilities in respect of any gift cards, gift certificates, merchandise credits, return credits, customer membership or customer loyalty discount programs, coupons, groupons or other similar credits or programs issued by, on behalf of or in relation to Sellers other than the Assumed Customer Credits;

(n) all Liabilities related to or arising from, whether before, on or after the Closing Date, use by Sellers of any of the Trademarks or Business Names included in the Acquired Intellectual Property pursuant to Section 9.10;

(o) except as otherwise provided in this Agreement, all Liabilities for the rejection of any Contract to which a Seller is a party;

(p) the SHIP Purchase Agreement Liabilities (if the SHIP Closing shall have occurred prior to the Closing Date);

(q) other than the liabilities assumed in accordance with Section 2.3(g) (Cure Costs) and 2.3(k) (Severance Reimbursement Obligations, Assumed 503(b)(9) Liabilities and Other Payables and the payment obligations with respect to the Ordered Inventory), accounts payable incurred in the Ordinary Course of Business existing on the Closing Date (including (i) invoiced amounts payable and (ii) accrued but uninvoiced accounts payable); and

(r) the claims underlying the mechanics' liens identified in Section 2 of Schedule 6.5.

For the avoidance of doubt, all Taxes of any Seller shall be Assumed Liabilities, regardless of the time and circumstances giving rise to any such Taxes, except for any Tax expressly excluded under Section 2.2(h) or Section 2.4(i).

Section 2.5 Year-End Adjustments. For the avoidance of doubt, notwithstanding anything to the contrary set forth in this Agreement, neither Buyer nor any Assignee shall have any obligations in respect of any portion of any year-end (or other) adjustment (including for royalties, rents, utilities, Taxes, insurance, fees, any common area or other maintenance charges, promotional funds and percentage rent) arising under any of the Acquired Leases or any other Assigned Agreements for the calendar year in which the applicable Lease Assignment occurs that is attributable to (x) the portion of such calendar year occurring prior to such Lease Assignment or (y) any previous calendar year, and Sellers shall fully indemnify and hold harmless Buyer and the applicable Assignee with respect thereto. Buyer shall be solely responsible for any of the matters described in the preceding sentence for the portion of the calendar year in which the Closing Date occurs following each applicable Lease Assignment and all subsequent calendar years, and Buyer shall fully indemnify and hold Sellers harmless with respect thereto. Following the applicable Lease Assignment Date, except as expressly set forth in this Agreement or the Approval Order, Sellers shall have no further liabilities or obligations with respect to each of the Acquired Leases and the other Assigned Agreements (including obligations related to royalties rents, utilities, Taxes, insurance and common area maintenance, regardless of when due and payable), and Sellers

shall be released from all such obligations and Buyer shall indemnify and hold harmless Sellers with respect thereto.

Section 2.6 Purchase and Sale of Designation Rights. Upon the terms and subject to the conditions of this Agreement and the Approval Order, on the Closing Date, Sellers shall sell, transfer, assign and convey, or cause to be sold, transferred, assigned and conveyed, to Buyer, and Buyer shall purchase from Sellers, the Designation Rights. For the avoidance of doubt, the sale, transfer, assignment and conveyance of the Designation Rights provided for herein on the Closing Date shall not effectuate a sale, transfer, assignment or conveyance of any Designatable Lease to Buyer or any other Assignee, which shall only be effectuated on a Designation Assignment Date; provided, that, notwithstanding the foregoing, Buyer shall be responsible for all Expenses arising under or related to any Designatable Lease from and after the Closing Date until, if applicable, the rejection of such Designatable Lease in accordance with this Agreement. Subject to the terms and conditions of this Agreement, the Approval Order and the requirements of section 365(b) of the Bankruptcy Code, Buyer shall have the right to designate itself or, with the consent of Seller, any other Person as the Assignee to which a Designatable Lease is to be assumed and assigned. The Designation Rights shall terminate upon the expiration of the Designation Rights Period.

Section 2.7 Assignments.

(a) Potential Transferred Agreements.

(i) Schedule 2.7(a) contains a list of all Potential Transferred Agreements (including, to the extent in the possession or control of any Seller, the underlying agreements). Subject to section 365 of the Bankruptcy Code, Buyer may elect to have the Potential Transferred Agreements assigned to Buyer or assumed by Seller and assigned to Buyer on the applicable Assumption Effective Date (which shall be deemed to be “Assigned Agreements” in accordance with the definition thereof). At Buyer’s reasonable request, Seller shall make reasonably available to Buyer the appropriate employees of Seller necessary to discuss the Potential Transferred Agreements.

(ii) To the extent a Potential Transferred Agreement is an executory contract or lease, as soon as practicable after the date hereof, Seller shall file a notice of assignment and assumption (an “Agreement Assignment Notice”) with the Bankruptcy Court and serve such notice via electronic or first class mail on each counterparty to a Potential Transferred Agreement that is an executory contract or lease, consistent with the terms of the Bidding Procedures Order. The Agreement Assignment Notice shall identify all Potential Transferred Agreements that are executory contracts or leases and related to the Acquired Assets that Sellers believe may be assigned or assumed and assigned in connection with the sale of the Acquired Assets and set forth a good faith estimate of the amount of the Cure Costs applicable to each such Contract (and if no Cure Cost is estimated to be applicable with respect to any particular Contract, the amount of such Cure Cost designated for such Contract shall be “\$0.00”).

(b) Initial Assigned Agreements.

(i) As soon as practicable after delivery of the list of Potential Transferred Agreements by the Seller but no later than five (5) Business Days following such delivery, Buyer shall deliver to the Seller a list of those Potential Transferred Agreements proposed to be assigned to Buyer or assumed by Seller and assigned to Buyer on the Closing Date (the Contracts on such list, the “Initial Assigned Contracts”, the Leases on such list (including, to the extent applicable to such Leases, all non-disturbance agreements with fee owners or senior landlords, subordination, non-disturbance and attornment agreements, waivers and consents in favor of any Seller, estoppel certificates from landlords (to the extent assignable), and landlord waivers or other collateral access agreements in favor of any Seller or any asset-based lenders) the “Initial Assigned Leases”, and together the “Initial Assigned Agreements”).

(ii) Following delivery of the list of Initial Assigned Agreements and to the extent consistent with the Bidding Procedures Order, at any time prior to the second (2nd) Business Day prior to the Closing Date, Buyer will be entitled, after consultation with the Sellers, to add (x) any Initial Assigned Agreement to the list of Excluded Assets by providing written notice thereof to Sellers, and any Initial Assigned Agreement so added will cease to be an Initial Assigned Agreement and will be deemed to be an Excluded Asset (and all Liabilities thereunder Excluded Liabilities) for all purposes hereunder or (y) any Potential Transferred Agreement to the list of Initial Assigned Agreements so long as (1) it is not a Contract to be assumed or available to be assumed pursuant to any other sale previously approved by the Bankruptcy Court in connection with the Bankruptcy Cases; and (2) it is prior to the entry of a Final Order of the Bankruptcy Court approving the rejection of such Contract, in each case subject to the non-Debtor party to such Contract receiving information evidencing Buyer’s adequate assurance of future performance and having an opportunity to object consistent with the Bidding Procedures Order and the Approval Order. No change referred to in this Section 2.7(b)(i) shall reduce or increase the amount of the Purchase Price, except to the extent of any increase or decrease in the assumption of the Assumed Liabilities, including Cure Costs, as a result of the Potential Transferred Agreements being added to or removed from the list of Acquired Leases or Assigned Agreements by Buyer.

(iii) On the Closing Date, pursuant to section 365 of the Bankruptcy Code and the Approval Order, and subject to consent if applicable Law requires it, Sellers shall assume and assign to Buyer the Initial Assigned Agreements and Buyer shall pay all Cure Costs with respect to such Initial Assigned Agreements to the appropriate counterparty or establish a reserve for disputed cure amounts in accordance with the Bidding Procedures Order and Approval Order.

(c) Designatable Leases. On each Assumption Effective Date, pursuant to section 365 of the Bankruptcy Code and the Approval Order, Sellers shall assume and assign to the applicable Assignee any Designatable Lease so designated by Buyer for assumption and assignment in accordance with the terms of this Agreement, and Buyer shall pay all or be responsible for Cure Costs with respect to such Designatable Leases.

(d) Additional Contracts. On each applicable Assumption Effective Date, and in no event later than the date that is five (5) Business Days following the Designation Deadline,

pursuant to section 365 of the Bankruptcy Code, the Approval Order, and any other applicable Order, Sellers shall assume and assign to the applicable Assignee any Additional Contract that Buyer designates for assumption and assignment in accordance with Section 2.9, and Buyer shall pay all Cure Costs with respect to such Additional Contract and all Expenses related to or arising under such Additional Contract after the Closing Date.

(e) Adequate Assurance and Consents. Notwithstanding anything to the contrary herein, Sellers shall not be obligated to assume and assign any Lease or Contract pursuant to this Section 2.7 with respect to which Buyer fails to satisfy the Bankruptcy Court as to adequate assurance of future performance or for which Consent is required to assume and assign such Lease or Contract and such Consent has not been obtained; provided, however, that the Parties shall use their commercially reasonable best efforts to obtain all such Consents.

Section 2.8 Further Assurances.

(a) On and after the Closing Date, each of the Sellers and Buyer shall use its commercially reasonable efforts to further give full effect to, evidence and record the assignments, waivers, ratifications, consents and agreements granted herein, and, Sellers shall, upon Buyer's request, assist Buyer in a commercially reasonable way to obtain, maintain, enforce and defend any rights specified to be owned by or assigned to a Seller, including by testifying in any legal Proceedings, executing all lawful papers and making all rightful oaths required or necessary to aid Buyer or its successors or assigns in obtaining and enforcing its right, title and interest in, to and under the Acquired Assets, including in connection with the IP Assignment Agreement and the Short Form Assignments and in complying with all requirements of the applicable social media sites and Domain Name registrars.

(b) On each Designation Assignment Date, Seller shall, upon the request of Buyer or the applicable Assignee, execute and deliver to such Assignee such instruments of transfer as shall be reasonably necessary or desirable to vest in such Assignee title to the applicable Designatable Leases and related Acquired Lease Rights, Acquired Improvements and all other related Acquired Assets required hereunder to be transferred on such Designation Assignment Date (and evidence the assumption by Seller, and the assignment by Seller to the applicable Assignee, of such Designatable Leases), and Seller, on the one hand, and such Assignee, on the other hand, shall (and Buyer shall use commercially reasonable efforts to cause each Assignee to) take (or cause to be taken) all appropriate action, do (or cause to be done) all things necessary under applicable Law, and execute and deliver such instruments and documents, in each case as may be reasonably requested and reasonably necessary or desirable to consummate the Transactions at or after the Designation Assignment Date. In furtherance and not in limitation of the foregoing, in the event that any of the Acquired Assets shall not have been conveyed at Closing or on the applicable Designation Assignment Date, as applicable, Seller shall convey such Acquired Assets to Buyer or such Assignee, as applicable, as promptly as practicable after the Closing or on the applicable Designation Assignment Date, as applicable. As promptly as practicable following the date on which Buyer is permitted to receive Customer Data constituting "personally identifiable information" (as defined in the Bankruptcy Code) that was not transferred on the Closing Date, Seller shall deliver to Buyer a copy of the Customer Data constituting Acquired Data to an extent and in a format mutually agreeable to Seller and Buyer that is readable, useable, indexed and

searchable and, if any portion of such Customer Data is encrypted, the necessary decryption tools and keys to read such materials contemporaneously.

(c) Not later than ten (10) days prior to the Closing Date, Sellers shall instruct all of Sellers' outside counsel responsible to maintaining, prosecuting or renewing any of the Acquired Intellectual Property (i) that the ownership of the Acquired Intellectual Property will be assigned to Buyer as of the Closing Date, (ii) to keep all Acquired Intellectual Property (as relevant to such counsel) in full force and effect, including by filing and documentation and paying any fees required therefor, (iii) to release to Buyer or counsel designated by Buyer at locations to be designated by Buyer copies of all the tangible embodiments of the Intellectual Property Related Documentation existing as of the Closing Date and in such counsel's possession, and (iv) that Buyer or counsel designated by Buyer may contact such Sellers' counsel for coordination relative to further prosecution of the Acquired Intellectual Property at Buyer's expense (such correspondence, "Seller Instructions"). Sellers shall also include in the Seller Instructions any other information that Buyer reasonably instructs Sellers to include that is communicated to Sellers prior to the Closing Date.

(d) If after the Closing (i) Buyer or any of its Affiliates holds or is otherwise liable for any Excluded Assets or Excluded Liabilities or (ii) any Seller or any of their respective Affiliates holds any Acquired Assets or Assumed Liabilities, Buyer or the applicable Seller will, and will cause their respective controlled Affiliates to, and will use commercially reasonable efforts to cause their other Affiliates to, (including through the execution and delivery of all appropriate transfer documents) promptly transfer (or cause to be transferred) such Assets or assume, pay or reimburse (or cause to be assumed, paid or reimbursed) such Liabilities to or from (as the case may be) the other party for no additional consideration. Prior to any such transfer, the party receiving or possessing any such asset will hold it in trust for such other party.

(e) Notwithstanding anything to the contrary contained in this Agreement, Seller shall not transfer the KCD Notes to Buyer, and Buyer shall not assume the PA Liabilities from Seller, unless and until Seller has received the requisite consent of the Bermuda Monetary Authority or any other applicable Bermuda regulatory authority to the transfer of the KCD Notes (the "BMA Consent"). Immediately following receipt of the BMA Consent, the transfer of the KCD Notes and the assumption of the PA Liabilities shall take place simultaneously. From the Closing Date until such time as the transfer of the KCD Notes and the assumption of the PA Liabilities occurs, pursuant to a services agreement to be in a form reasonably agreed to by Sellers and Buyer (the "PA Liabilities Services Agreement"), (i) Buyer shall provide services to the applicable Sellers sufficient to enable Sellers to perform the PA Liabilities and (ii) in consideration for such services, Sellers shall pay to Buyer an amount equal to the aggregate of all amounts paid by Buyer to Sellers with respect to any licenses under which Buyer licenses the KCD IP.

Section 2.9 Additional Contracts. If, at any time prior to the date that is sixty (60) days after the Closing Date, but in no event later than May 3, 2019 (the "Designation Deadline"), Buyer so determines as to any Contract that is Related to the Acquired Assets or is an IP License, in each case but is not an Initial Assigned Contract (other than (i) any lease of non-residential real property and (ii) any Excluded Asset set forth in Section 2.2) (each, an "Additional Contract"), Buyer may elect, after consultation with the Sellers, by written notice delivered to Sellers, to designate for assignment or assumption and assignment any Additional Contract for no additional consideration.

Upon the designation of any such Additional Contract as an Assigned Agreement pursuant to this Section 2.9, Sellers will use their reasonable best efforts to assume and assign to the applicable Assignee such Additional Contract so long as the Buyer pays all Expenses accrued post-Closing and all Cure Costs associated with such Additional Contract; provided, however, that nothing herein shall be deemed or construed to obligate Sellers to retain, or refrain from rejecting or terminating any Lease or Contract after the Designation Deadline that does not constitute an Assigned Agreement. Notwithstanding anything to the contrary herein, Sellers shall not be obligated to assume and assign any Contract pursuant to this Section 2.9 with respect to which Buyer fails to satisfy the Bankruptcy Court as to adequate assurance of future performance or for which Consent is required to assume and assign such Additional Contract and such Consent has not been obtained, provide that the Parties shall use their reasonable best efforts to obtain all such Consents.

Section 2.10 Withholding. Notwithstanding anything in this Agreement to the contrary, Buyer shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement but only to the extent of such amounts as may be required to be deducted and withheld by Buyer with respect to the making of such payments under applicable U.S. federal, state or local or foreign laws, and any such withheld amount shall be properly paid by Buyer to the appropriate Governmental Authority. To the extent that amounts are so deducted and withheld and properly paid to the appropriate Governmental Authority, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to Sellers or any other Person in respect of which such deduction and withholding was made.

Section 2.11 Rejection of Outbound IP Licenses. Prior to the Closing Date, subject to section 365(n) of the Bankruptcy Code, Sellers shall file a motion to reject, and take all actions (including actions required under section 365 of the Bankruptcy Code) reasonably necessary to reject any Outbound IP Licenses included in the Potential Transferred Agreements that (i) are executory Contracts and (ii) are not designated by Buyer for assignment or assumption and assignment as an Assigned Agreement in accordance with the terms of this Agreement or for solely assumption pursuant to Section 9.14(d). Without limiting the foregoing, promptly following the Designation Deadline, Sellers shall file a motion to reject, and take all actions (including actions required under section 365 of the Bankruptcy Code) reasonably necessary to reject, any Outbound IP Licenses that (x) are not included in the Potential Transferred Agreements, (y) are executory Contracts and (z) are not designated by Buyer for assignment or assumption and assignment as an Assigned Agreement in accordance with the terms of this Agreement or for solely assumption pursuant to Section 9.14(d).

Section 2.12 Tax Reorganization.

(a) The Parties intend that the transactions set forth in this Agreement, as structured and implemented as described in Section 9.2(a), together with the Bankruptcy Plan (as defined below), will, unless and except to the extent that Buyer elects otherwise with respect to a particular Seller or Sellers pursuant to Section 2.12(b), (i) constitute one or more plans of reorganization under section 368(a) of the Code (as defined below) and (ii) as qualifying as one or more reorganizations thereunder (a “Tax Reorganization”).

(b) Buyer may, at any time on or before the earlier of (i) 15 days prior to the effective date of the Bankruptcy Plan and (ii) December 1, 2019, elect, by providing to Sellers written notice of its election, to treat one or more of the transactions (each, a “Designated Sale Transaction”) set forth in this Agreement as not qualifying as a Tax Reorganization, which election shall be effective unless Designated Tax Advisor cannot provide a Tax Opinion that such Designated Sale Transaction can be completed in a manner that would not be treated as a “reorganization” within the meaning of section 368 of the Code; provided, however, that in connection with any such Buyer election to treat all the transactions described in this Article II as Designated Sale Transactions (resulting in no transfer of Sellers’ Tax attributes to Buyer), the Parties shall, if requested by Sellers in writing, identify a business of the Sellers that would become part of the Excluded Assets and consider in good faith any other changes to the structure of the transaction that are reasonable and necessary as a commercial, bankruptcy law and other legal matter to achieve that result. If Buyer does not elect pursuant to this Section 2.12(b) to treat all the transactions described in this Article II as Designated Sale Transactions (resulting in no transfer of Sellers’ Tax attributes to Buyer), or any such election is not effective, then Buyer and Sellers shall continue to comply with Section 9.2(a).

(c) Each Tax Opinion shall be based on representations reasonably requested by Designated Tax Advisor to be provided by each of Buyer and Sellers in the form of a representation letter, and each such representation must continue to be true and accurate in all material respects as of immediately before such Tax Opinion is issued. To the extent requested by Designated Tax Advisor, each of Sellers and Buyer shall confirm to Designated Tax Advisor the accuracy and completeness, as of immediately before such Tax Opinion is issued, of the applicable representation letter. For the avoidance of doubt, and notwithstanding anything to the contrary set forth in this Agreement, (i) reliance by Sellers on any Tax Opinion requested or otherwise required pursuant to this Agreement shall not affect Buyer’s liability for Taxes that are Assumed Liabilities and (ii) the inability or failure to deliver or receive any Tax Opinion requested or otherwise required pursuant to this Agreement shall not delay or in any way interfere with the consummation and closing of the Transactions. Notwithstanding anything to the contrary set forth in this Agreement, any transaction or transactions (including any transaction described in clause (B) of Section 9.2(a)) in respect of which any Tax Opinion is not or cannot be delivered as otherwise required under this Agreement (other than a Tax Opinion described in Section 2.12(b)) shall be deemed to be a Designated Sale Transaction.

Section 2.13 Foreign Assets.

(a) On the Closing Date, Sellers shall use reasonable best efforts to cause each of the Foreign Subsidiaries to sell, transfer, assign, convey and deliver, or cause to be sold, transferred assigned, conveyed and delivered to Buyer or the applicable Assignee, and Buyer or such applicable Assignee shall use reasonable best efforts to purchase, all right, title and interest of each of the Foreign Subsidiaries, in, to or under all assets, properties and rights Related to the Business other than the Excluded Assets and any other assets of the type that would have been Acquired Assets had they had been owned by Sellers as of the Closing Date or any minority equity interests held by the Foreign Subsidiaries (collectively, the “Acquired Foreign Assets”), in each case free and clear of any and all Encumbrances of any kind, nature or description and any Claims, other than Permitted Post-Closing Encumbrances. If the transfer of any Acquired Foreign Assets does

not occur at the Closing Date, Seller and Buyer shall use reasonable best efforts to complete such transfer as promptly as practicable following the Closing Date and shall enter into such agreements as may be reasonably required to provide Buyer or the applicable Assignee the benefit of such assets until such transfer is consummated.

(b) If, at any time prior to the date that is sixty (60) days after the Closing Date, but in no event later than May 3, 2019, Buyer determines (in its sole discretion) that it is necessary or desirable to acquire other minority equity interests in non-U.S. Persons held by Subsidiaries of Seller (other than any Subsidiary who is a Seller) so as to ensure that Buyer or the applicable Assignee shall be able to secure the benefit of the applicable Acquired Foreign Assets, Buyer may elect, by written notice delivered to Sellers, to acquire such equity interests directly from Seller. Following any such election, Buyer and Seller shall promptly execute all documentation required to effectuate the purchase and sale of such equity interests under applicable Law.

(c) No purchase of Acquired Foreign Assets or equity interests pursuant to this Section 2.13 shall require the delivery of any additional consideration by Buyer; provided, that to the extent required by applicable Law (including, for the avoidance of doubt, Tax Law), Buyer and Seller shall in accordance with Section 9.3(d) either (i) allocate a portion of the Purchase Price to the purchase of such equity interests or (ii) provide for nominal consideration to be paid by Buyer to Sellers in an amount no greater than the minimum amount required by applicable Law.

Section 2.14 Bulk Transfer Law. The Parties intend that pursuant to Section 363(f) of the Bankruptcy Code, the transfer of the Acquired Assets shall be free and clear of any security interests in the Acquired Assets, including any liens or claims arising out of the bulk transfer Laws. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted by applicable Law, compliance by the Parties with the “bulk sales,” “bulk transfers” or similar Laws in all applicable jurisdictions in respect of the Transactions (including under any applicable Tax Laws).

ARTICLE III

PURCHASE PRICE

Section 3.1 Purchase Price. The aggregate purchase price for the purchase, sale, assignment and conveyance of Sellers’ right, title and interest in, to and under the Acquired Assets shall consist of the following (collectively, the “Purchase Price”):

- (a) cash in an amount (the “Closing Payment Amount”) equal to:
 - (i) \$1,408,450,000; *plus*
 - (ii) an amount in cash equal to the Store Cash as of 12:00 a.m. New York City time on the Closing Date; *plus*
 - (iii) the Credit Bid Release Consideration; *less*

(iv) the aggregate amount of (A) the credit bid set forth in Section 3.1(b)(ii) *plus* (B) the credit bid set forth in Section 3.1(b)(iv), *plus* (C) the FILO Facility Buyout Amount (if any);

(b) subject to Bankruptcy Court approval, a credit bid pursuant to Section 363(k) of the Bankruptcy Code of:

(i) all outstanding obligations held by Buyer and its Affiliates as of the Closing Date under the IP/Ground Lease Term Loan Facility, *plus*

(ii) all outstanding obligations held by Buyer and its Affiliates as of the Closing Date under the FILO Facility, *plus*

(iii) obligations held by Buyer and its Affiliates as of the Closing Date under the Real Estate Loan 2020 in an amount equal to \$544,000,000, *plus*

(iv) obligations held by Buyer and its Affiliates as of the Closing Date in an aggregate amount equal to \$433,450,000 under (x) the Second Lien Term Loan; (y) the Second Lien Line of Credit Facility; and (z) the Second Lien PIK Notes,

in the case of each of (i), (ii), (iii) and (iv) in exchange for the collateral pledged to secure the applicable debt obligations, including any proceeds from the sale or other disposition of such collateral prior to the Closing Date to which the Liens securing such debt obligations are attached, in the same order of priority and with the same validity, force and effect as the original Liens; *plus*

(c) cash in the amount of the outstanding obligations owed to lenders other than Buyer or its Affiliates as of the Closing Date under (i) the IP/Ground Lease Term Loan Facility (the “IP/Ground Lease Buyout Amount”), (ii) the FILO Facility (the “FILO Facility Buyout Amount”), and (iii) the Real Estate Loan 2020 (the “Real Estate Loan 2020 Buyout Amount”), unless such lender(s) provide written confirmation to the Sellers that such cash payment and the obligations owed to lenders by the Seller under the IP/Ground Lease Term Loan Facility, the FILO Facility or the Real Estate Loan 2020, as applicable, are permanently waived and discharged against the Sellers; *plus*

(d) the Securities Consideration;

(e) the Junior DIP Consideration;

(f) the L/C Facility Consideration; and

(g) the assumption by Buyer of the Assumed Liabilities in accordance with Section 3.5.

To the extent payable, the IP/Ground Lease Buyout Amount, the FILO Facility Buyout Amount and the Real Estate Loan 2020 Buyout Amount shall each be deposited and held in separate segregated accounts of the Debtors and the Liens of the lenders other than Buyer or its Affiliates under IP/Ground Lease Term Loan Facility, the FILO Facility or the Real Estate Loan 2020, as applicable, shall attach to the cash proceeds held in the applicable designated segregated account

in the same order of priority and with the same validity, force and effect as the original Liens of such lenders, and such proceeds shall be released to such lenders within two business days following the Closing Date and shall not otherwise be used by the Debtors without further order of the Bankruptcy Court.

Section 3.2 Cash Deposit. On or prior to January 9, 2019, Buyer paid an aggregate amount in cash equal to \$120,000,000 (the “Deposit Amount”) by wire transfer of immediately available funds into an escrow account maintained by Citibank, N.A. as Escrow Agent. Buyer’s and Sellers’ right to retain the Deposit Amount in the event of a termination of this Agreement shall be governed by Section 12.2.

Section 3.3 Closing Payment.

(a) At the Closing, Buyer shall:

(i) pay to Sellers by wire transfer of immediately available funds into one or more accounts designated by Sellers an amount in cash equal to the Closing Payment Amount *less* the Deposit Amount *plus* any amounts payable pursuant to Section 3.1(c); and

(ii) deliver the Securities Consideration to the Sellers.

Section 3.4 Reserved.

Section 3.5 Discharge of Assumed Liabilities After Closing. From and after the later of the Closing or the applicable Assumption Effective Date, Buyer shall pay, perform, discharge and satisfy the Assumed Liabilities from time to time and as such Assumed Liabilities become due and payable or are required to be performed, discharged or satisfied, in each case in accordance with their respective terms.

ARTICLE IV

CLOSING

Section 4.1 Closing Date. The closing of the sale, transfer, assignment, conveyance and delivery of the Designation Rights and Sellers’ right, title and interest in, to and under the Acquired Assets by Sellers to Buyer contemplated hereby (the “Closing”) shall take place at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, or at such other place or time as Buyer and Sellers may mutually agree, on the third (3rd) Business Day following satisfaction or waiver of the conditions set forth in Article X and Article XI (other than those conditions that by their nature are to be satisfied by actions taken at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing). Notwithstanding the immediately preceding sentence, if the Marketing Period has not ended at the time of the satisfaction or waiver of the conditions set forth in Article X and Article XI (other than those conditions that by their nature are to be satisfied by actions taken at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), then the Closing shall occur instead on the date that is the earlier to occur of (x) any Business Day as may be specified by Buyer on no less than two (2) Business

Days' prior written notice to Sellers and (y) two (2) Business Days following the final day of the Marketing Period. The date and time at which the Closing actually occurs is referred to as the "Closing Date."

Section 4.2 Buyer's Deliveries. At the Closing, Buyer shall deliver to Sellers:

- (a) the Closing Payment Amount *less* the Deposit Amount in accordance with Section 3.3;
- (b) the Securities Consideration;
- (c) the certificates of Buyer to be received by Sellers pursuant to Sections 11.1 and 11.2;
- (d) the Occupancy Agreement, duly executed by Buyer;
- (e) the PA Liabilities Services Agreement, duly executed by Buyer; and
- (f) such assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Sellers and Buyer, which are reasonably requested by Seller to (i) transfer to Buyer all the right, title and interest of Sellers in, to or under the Acquired Assets to be acquired on the Closing Date in accordance with this Agreement and (ii) properly give effect to Buyer's assumption of all of the Assumed Liabilities in accordance with this Agreement.

Section 4.3 Sellers' Deliveries. At the Closing, Sellers shall deliver to Buyer:

- (a) a copy of the Approval Order entered by the Bankruptcy Court;
- (b) the certificates of Sellers to be received by Buyer pursuant to Sections 10.1 and 10.2;
- (c) a certificate of non-foreign status executed by each Seller (or, if a Seller is a disregarded entity for U.S. federal income Tax purposes, by the Person treated as the owner of such Seller for U.S. federal income Tax purposes) that is a "United States person" within the meaning of Section 7701(a)(30) of the Code, substantially in the form of the sample certification in Treasury Regulations Section 1.1445-2(b)(2)(iv)(B);
- (d) all items required to be delivered pursuant to Section 9.9;
- (e) a quit-claim deed to be recorded with respect to the Owned Real Property;
- (f) such assignments and other good and sufficient instruments of assumption and transfer, in form reasonably satisfactory to Sellers and Buyer, which are reasonably requested by Buyer to (i) transfer to Buyer all the right, title and interest of Sellers in, to or under the Acquired Assets to be acquired on the Closing Date in accordance with this Agreement and (ii) properly give effect to Buyer's assumption of all of the Assumed Liabilities in accordance with this Agreement;

- (g) all Intellectual Property Related Documentation;
- (h) all tangible embodiments of the Acquired Intellectual Property, including all (i) Software object code and source code related thereto, (ii) all materials and documentation (in electronic and editable form, to the extent existing in such form) necessary for the use, modification, manufacture, sale and other exploitation of the Acquired Intellectual Property, to the extent not included in Intellectual Property Related Documentation, (iii) all content made available on or through any websites and webpages accessed through any Domain Names or Medical Accounts included in the Acquired Intellectual Property and all other audio-visual or written materials (including such archival materials) produced by or on behalf of Sellers, (iv) all Labeling and Marketing Materials and (v) all Product Catalogs and Manuals;
- (i) to the extent the sale and transfer of such data is not in contravention with applicable Law, all Acquired Data in the format in which it exists and, if any portion of such Acquired Data is encrypted, the necessary decryption tools and keys to read such materials contemporaneously;
- (j) a counterpart of the IP Assignment Agreement, duly executed by each applicable Seller;
- (k) unless otherwise agreed in writing by the Parties between signing and Closing, a counterpart of each Short Form Assignment, duly executed by each applicable Seller;
- (l) a counterpart of each IP Power of Attorney, duly executed by each applicable Seller;
- (m) the Occupancy Agreement, duly executed by the applicable Sellers;
- (n) the PA Liabilities Services Agreement, duly executed by the applicable Sellers;
- (o) the Payoff Letters (including UCC terminations or authorization to file UCC terminations and other filings); and
- (p) subject to Section 2.8(e), certificates representing the KCD Notes in proper form for transfer, free and clear of all Liens.

Section 4.4 Local Sale Agreements. Subject to the terms and conditions hereof, to the extent necessary or desirable to effect the Closing on the terms hereof, Buyer or applicable Assignee and relevant Sellers shall, enter into such agreements or instruments, including a sale agreement and quit-claim deed for the Owned Real Property and bills of sale and/or assignment and assumption agreements, providing for the sale, transfer, assignment or other conveyance to Buyer or applicable Assignee, in accordance with the requirements of applicable local Law.

ARTICLE V

DESIGNATION RIGHTS PERIOD

Section 5.1 Parties' Respective Obligations Before and During Designation Rights Period.

(a) Sellers' Obligations.

(i) Sellers shall pay when due any and all Occupancy Expenses with respect to each Lease Premises and the related Lease solely to the extent arising during the period commencing on the Petition Date through, in the case of any Operating Leased Property, the Closing Date, and in the case of any GOB Leased Store, the end of the GOB Period for such GOB Leased Store, at such times and in such amounts as are required under the terms of the applicable Lease and any other applicable agreement pertaining to such Property. Sellers shall not pay any amount due from Sellers pursuant to any provision of this Agreement using any security deposit associated with any Lease Premises, Lease or other Lease Premises-related agreement or, to the extent so paid prior to Closing, Buyer, as Buyer's sole remedy, will be entitled to a credit against the Purchase Price for any amounts so applied (except that Buyer shall be entitled to invoke other remedies if such credit is not duly applied at Closing).

(ii) From the date hereof through (A) the Closing Date with respect to each Operating Leased Property and (B) the end of the applicable GOB Period with respect to each GOB Leased Store, Sellers shall use commercially reasonable efforts to maintain and preserve each Lease Premises, each Lease and all related Potential Acquired Assets in a condition substantially similar to their condition as of October 15, 2018, other than reasonable wear and tear, casualty and condemnation (which shall be governed by Section 12.3). During the Designation Rights Period, Sellers shall not without Buyer's consent, and shall not solicit any other Person to, (A) sell, transfer, assign, convey, lease, license, mortgage, pledge or otherwise encumber any Lease Premises, related Lease or related Potential Acquired Asset (other than sales of Inventory by Buyer in accordance with Section 5.1(c), Permitted Encumbrances and any applicable statutory liens (solely to the extent that such Lease or related Potential Acquired Asset will be transferred free and clear of such statutory liens pursuant to the Approval Order)), (B) amend, supplement or modify in any fashion (or terminate or enter into) any Designatable Lease (provided that Sellers shall use reasonable best efforts to comply with instructions from Buyer as to the renewal (or lack of renewal) of each Lease that comes up for renewal), (C) grant or terminate any other interests in any Lease Premises, related Lease or related Potential Acquired Asset (other than sales of Inventory located at such Lease Premises in the Ordinary Course of Business), (D) cancel or compromise any claim or waive or release any right, in each case that is related to any Lease Premises or any related Potential Acquired Assets (for the avoidance of doubt, other than any Excluded Assets), (E) except following receipt of a Buyer Rejection Notice in accordance with Section 5.3, seek or obtain an order approving rejection of a Designatable Lease (which, shall in no way affect Sellers' rights to seek or obtain an order approving rejection in connection with any of Sellers' assets other than the Lease Premises), (F) take any action with respect to Taxes or Tax matters that is not in the Ordinary Course of Business that could reasonably be expected to result in (I) an Encumbrance on any Lease Premises or related Potential Acquired Assets (unless such Lease or related Potential Acquired Asset will be transferred free and clear of such Encumbrances pursuant to the applicable Lease Assignment Order) or (II) an increase in the Tax Liability of Buyer or any of its Affiliates, or (G) enter into any agreement or commitment to take any action prohibited by this Section 5.1(a)(ii).

(iii) From the date hereof through the end of the Designation Rights Period, Sellers shall continue to make available to Buyer the data room made available to Buyer prior to the date hereof, and Sellers shall use commercially reasonable efforts to post to such data room copies of all material notices received by Sellers with respect to any Designatable Leases during the Designation Rights Period. From the date hereof through the end of the Designation Rights Period, subject to the terms of the Occupancy Agreement, Sellers shall make available to Buyer reasonable access to the Lease Premises for the Designatable Leases at such times as Buyer or its agents may reasonably request, provided that prior to the Closing Date there is no unreasonable interference with Sellers' use and occupancy.

(iv) From the date hereof through the (A) Closing with respect to the Initial Assigned Leases and (B) the end of the Designation Rights Period with respect to the Designatable Leases, Sellers shall reasonably cooperate with Buyer at no cost, expense or Liability to Sellers with regard to all negotiations between Buyer and the landlords under the applicable Leases, but Sellers will not be required to enter into any agreements with such landlords or expend any costs in connection with such negotiations (other than any costs that Buyer has agreed in writing to reimburse Seller).

(v) With respect to the Lease Premises which Leases are Designatable Leases, Sellers shall continue all existing insurance policies with respect to such Lease Premises or policies providing similar coverage to the extent available at commercially reasonable rates during the Designation Rights Period and in all instances shall maintain all insurance required to be maintained under any Lease, and shall use commercially reasonable efforts to cause Buyer to be named as a loss payee or additional insured, as applicable, with respect to all such policies, which premiums and other amounts due to such insurance companies to maintain such insurance policies during the Designation Rights Period shall be Occupancy Expenses. Sellers shall (i) hold in escrow all insurance recoveries and all warranty and condemnation proceeds received or receivable after the date hereof with respect to such Lease Premises or such related Leases for events occurring during the Designation Rights Period, and (ii) following the Designation Rights Period shall pay any such recoveries or proceeds to Buyer to the extent relating to any Acquired Lease. In connection with any payment of recoveries or proceeds under this Section 5.1(a)(v), (i) such payment of recoveries or proceeds shall not include any recoveries or proceeds to the extent attributable to lost rents or similar costs applicable to any period prior to the Closing or paid in connection with repair, restoration or replacement during such period, and (ii) to the extent that Buyer has received written notice thereof in reasonable detail not less than fifteen (15) days prior to the end of the Designation Rights Period, such payment of recoveries or proceeds shall be reduced by the amount of (x) all actual and documented, reasonable out of pocket repair costs incurred by Sellers in connection with the repair or restoration of such damage or destruction, (y) all actual and documented, reasonable out of pocket collection costs of Sellers respecting any awards or other proceeds, and (z) any amounts required to be paid (and solely to the extent actually paid) by Sellers or the insurance company to the applicable landlord under the Lease, if applicable, or to such landlord's lender as required pursuant to any of such lender's financing, as applicable. For the avoidance of doubt, the costs of such policies allocable to, in the case of the GOB

Leased Stores for the period following the end of the GOB Period for each such GOB Leased Store and in the case of the Owned Leased Stores following the Closing Date, shall be borne by Buyer and shall otherwise be borne by Sellers. During the Designation Rights Period, Sellers shall use commercially reasonable efforts to provide Buyer with notice of any Casualty / Condemnation Event within three (3) Business Days of the occurrence of such Casualty / Condemnation Event.

(vi) From the date hereof through the end of the Designation Rights Period, at Buyer's specific written request, and at no cost, expense or Liability to Sellers, Sellers will take such actions as Buyer may reasonably request to cause each landlord under the Designatable Leases to perform such party's covenants, agreements and obligations (including repair and maintenance obligations and obligations to maintain insurance with respect to such Lease Premises and any shopping center or mall in which any such Lease Premises is located) under the respective Designatable Leases.

(vii) From the date hereof through the Closing Date, Sellers shall perform repairs and maintenance and provide security services at the Properties in substantially the same manner and to the same extent in place as of the date hereof (for the avoidance of doubt, the costs of providing such repairs, maintenance and security services prior to the Closing Date shall be borne by Sellers.

(viii) From the date hereof through the end of the Designation Rights Period, Sellers shall maintain, as an Occupancy Expense, the effectiveness of and, to the extent expiring, renew, all Plans and Permits with regard to the Properties.

(b) Buyer's Obligations.

(i) Buyer shall pay (or reimburse Sellers) (subject to the restrictions set forth herein) all Expenses with respect to the Designatable Leases.

(ii) Buyer will, as soon as reasonably practicable, but in no event later than the Designation Deadline, identify to Seller any Designatable Leases that Buyer has determined will not be designated for assumption and assignment pursuant to the Designation Rights and Seller shall be free to dispose of such Designatable Leases in its sole discretion.

(c) Operation of Lease Premises.

(i) The operation of the Lease Premises related to the (A) Operating Leased Property during the Designation Rights Period and (b) with respect to each GOB Leased Store following the end of the applicable GOB Period for each such GOB Leased Store and ending at the end of the Designation Rights Period, shall in each case be governed by an Occupancy Agreement in the form attached hereto as Exhibit D, and Buyer shall conduct such operation pursuant to such Occupancy Agreement, including the sale of the Acquired Inventory at such Lease Premises related to the Designatable Leases, as Buyer determines in its sole discretion, including by (A) conducting liquidation sales at any or all of such

Lease Premises related to the Designatable Leases or (B) operating the Lease Premises pursuant to the Occupancy Agreement.

(ii) The operation of the GOB Owned Stores during the GOB Period shall be governed by the Seller Retained Occupancy Agreement and Seller shall conduct such operation pursuant to such Seller Retained Occupancy Agreement as Seller determines in its sole discretion.

Section 5.2 Assumption.

(a) Following Closing, at any time on or prior to the Designation Deadline, Buyer shall have the right, which right may be exercised at any time and from time to time, in consultation with the Sellers, to designate such Designatable Lease for assumption and assignment and shall provide notice to Sellers executed by Buyer and the Assignee (a "Buyer Assumption Notice") of Buyer's election to require Sellers to assume such Designatable Leases and assign the same to the Assignee identified in such Buyer Assumption Notice; provided that Buyer shall pay all Cure Costs associated with any assumption and assignment of any such Designatable Leases in accordance with the terms of Section 2.7; provided further, that the Assignee shall agree, pursuant to the Buyer Assumption Notice, to assume Buyer's obligations under this Agreement in relation to the relevant Designatable Lease. The Buyer Assumption Notice shall provide the following information: (1) the Designatable Leases being assumed and assigned and (2) the identity of the applicable Assignee(s).

(b) Within five (5) Business Days following the date upon which Buyer delivers a Buyer Assumption Notice to Sellers with respect to any Designatable Lease, together with a related assignment agreement substantially in the form attached hereto as Exhibit E (the "Assignment and Assumption of Lease") executed by the applicable Assignee, Sellers shall (1) deliver to Buyer and such Assignee a fully executed Assignment and Assumption of Lease and (2) file with the Bankruptcy Court and serve on the applicable lessor(s) and other appropriate notice parties (as applicable) a notice, and shall seek entry by the Bankruptcy Court of the Approval Order in respect of the Designatable Leases subject to such Buyer Assumption Notice; provided, that, in no event shall any Designation Assignment Date be prior to the Inventory Date. As of the applicable Designation Assignment Date, except for such obligations and liabilities with respect to such Designatable Leases and the related Lease Premises arising during the Designation Rights Period and except for Buyer's obligations specifically set forth in this Agreement, as between Buyer and the Assignee, Buyer shall have no further obligation or Liability with respect to such Designatable Lease or the related Lease Premises (including any obligation to continue to pay Expenses with respect thereto) and Assignee shall thereafter be solely responsible for all amounts payable or other obligations or liabilities that may be owed in connection with such Designatable Lease or the related Lease Premises; provided, however, that nothing in this sentence shall affect Sellers' rights against Buyer with respect to such Designatable Lease or the Lease Premises as set forth in this Agreement.

(c) Upon Buyer's request prior to the last day of the Designation Rights Period (provided that the Assignee shall have notified Sellers as to the particular Assignment Instruments and Assignment Actions to be delivered and taken at least two (2) Business Days prior thereto), Sellers shall deliver to the applicable Assignee instruments reasonably necessary or desirable (as

reasonably agreed between Sellers and Assignee) providing for the assignment, conveyance and delivery to such Assignee of the applicable Designatable Lease, together with the related Acquired Assets, in each case free and clear of all Encumbrances of any and every kind, nature and description, other than Permitted Encumbrances (the “Assignment Instruments”) and shall otherwise take such actions as are reasonably necessary or desirable (as reasonably agreed by Seller and such Assignee) in order to cause such sale, transfer, assignment, conveyance and delivery to become effective (collectively, the “Assignment Actions”); provided, however, that Buyer shall be solely responsible for all Cure Costs in accordance with the terms of this Agreement.

(d) The effective date of the sale, transfer, assignment, conveyance and delivery by Sellers to such Assignee of a Designatable Lease and related assets pursuant to this Agreement and the applicable Assignment and Assumption of Lease shall be the “Designation Assignment Date” with respect to such Lease and related assets.

(e) With respect to any Designatable Lease designated in a Buyer Assumption Notice:

(i) Sellers, at no cost, expense or Liability to Sellers, and Buyer shall each use (and Buyer shall use commercially reasonable efforts to cause Assignee to use) commercially reasonable efforts to accomplish, and shall fully cooperate with each other in, the resolution of any objections to the proposed assumption and assignment of such Designatable Lease and related assets;

(ii) Buyer shall cause Assignee to provide evidence (A) of adequate assurance of future performance within the meaning of section 365 of the Bankruptcy Code, (B) that Assignee is a good faith purchaser for purposes of section 363(m) of the Bankruptcy Code, including, in both cases, through the provision of such financial information and/or the filing of such affidavits or declarations with the Bankruptcy Court as may reasonably be requested by Sellers, or (C) any other information as may be required by the Bidding Procedures Order; and

(iii) Buyer shall pay or be responsible for all Cure Costs and Expenses and pay and perform the other obligations of Buyer set forth in this Agreement.

(f) Except as otherwise set forth in this Article V, each Person shall bear their own costs and expenses in respect of obtaining entry of the Approval Order and otherwise implementing the sale, transfer, assignment, conveyance and delivery of the applicable Lease and related assets to the applicable Assignee, including the filing and prosecution of any motions or other papers with respect to the same.

Section 5.3 Election Not to Assume and Assign a Designatable Lease.

(a) At any time before the date that is five (5) Business Days on or before the Designation Deadline, Buyer shall in accordance with the terms of this Agreement provide notice to Sellers (each such notice, a “Buyer Rejection Notice”) of Buyer’s election not to have such Designatable Lease assumed and assigned.

(b) Within five (5) Business Days following the date upon which Buyer delivers a Buyer Rejection Notice to Sellers with respect to the applicable Lease, Buyer shall vacate the applicable Property and deliver to Sellers the keys to such Property, if in the possession of Buyer. As of the date that is the later of (i) the date Buyer vacates the applicable Property and delivers to Sellers the keys to such Property, if in the possession of Buyer and (ii) five (5) Business Days after the date of the Buyer Rejection Notice, Buyer shall have no further obligation or liability with respect to the applicable Lease, Contract or Lease Premises, except with respect to obligations and liabilities with respect to such Lease, Contract, or Lease Premises arising during the Designation Rights Period, and Sellers shall thereafter be solely responsible for all amounts payable or other obligations or liabilities that may be owed in connection with such Lease, Contract or Lease Premises.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the Schedules delivered as of the date hereof by Sellers to Buyer and except as relates to a matter involving a Buyer Related Party (as to which no representation or warranty is being made), Sellers hereby, jointly and severally, represent and warrant to Buyer that the statements contained in this Article VI are true and correct as of the date hereof:

Section 6.1 Organization and Good Standing. Each Seller is an entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization. Subject to the limitations imposed on such Seller as a result of the Filing, each Seller has the requisite corporate, partnership or limited liability company power and authority to own or lease and to operate and use its properties and to carry on its business as now conducted. Each Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction where a Property is located where the character of its business or the nature of its properties requires such qualification or licensing, except where the failure to be so qualified or licensed or to be in good standing would not reasonably be expected to have a Material Adverse Effect.

Section 6.2 Authority; Validity; Consents. Each Seller has, subject to requisite Bankruptcy Court approval, as applicable, the requisite corporate, partnership or limited liability company power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is, or will become, a party and to consummate the Transactions. This Agreement has been duly and validly executed and delivered by each Seller and each other Transaction Document required to be executed and delivered by Sellers at any time will be duly and validly executed and delivered by each Seller. Subject to requisite Bankruptcy Court approval, as applicable, this Agreement and (when duly executed by Sellers) the other Transaction Documents constitute, with respect to each Seller, the legal, valid and binding obligations of such Seller, enforceable against such Seller in accordance with their respective terms, except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity. Subject to, and after giving effect to, requisite Bankruptcy Court approval (including the Approval Order) no Seller is required to give any notice to, make any filing with or obtain any consent from any Person (including any Governmental Authority) in connection with the execution and delivery of this Agreement and the other

Transaction Documents or the consummation or performance of any of the Transactions, except for (i) expiration or termination of any applicable waiting periods under the HSR Act and (ii) such notices, filings and consents, the failure of which to provide, make or obtain, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.3 No Conflict. When the Approval Order and the consents and other actions described in Section 6.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the Transactions will not result in the material breach of any of the terms and provisions of, or constitute a default under, or conflict with, or require consent or the giving of a notice under, or cause any acceleration of any obligation of Sellers under (a) any Order, (b) any Law or (c) the organizational documents of any Seller except, with respect to (a) or (b), as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.4 Environmental Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, to Sellers' Knowledge, (i) none of the Acquired Properties has been used by any Person as a landfill or storage, treatment, or disposal site for any type of Hazardous Substance or non-hazardous solid wastes as defined under the Resource Conservation and Recovery Act of 1976, as amended, in a manner which would reasonably be expected to result in any Seller incurring liabilities under Environmental Laws; (ii) the use by each Seller of the Acquired Properties is, and since the beginning of the Current Fiscal Year has been, in compliance with all Environmental Laws and Environmental Permits, except for such non-compliance that has not been, and would reasonably be expected to result in any Seller incurring liabilities under Environmental Laws; and (iii) none of the Acquired Assets is subject to any pending Action alleging that any Acquired Assets or Seller, with respect to the Acquired Assets, is in violation of any Environmental Law or Environmental Permit that would reasonably be expected to result in any Seller incurring liabilities under Environmental Laws. Since the beginning of the Current Fiscal Year, the Sellers have not received any written notice threatening any Action alleging that any Seller is in violation of any Environmental Law or Environmental Permit in respect of any Acquired Property that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 6.5 Title to Acquired Assets.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, Sellers (directly or indirectly) have good title to, or, in the case of Potential Acquired Assets that are leased by Sellers, a valid leasehold interest in, all of the Potential Acquired Assets, free and clear of all Encumbrances, except for Permitted Encumbrances.

(b) Sellers shall (i) with respect to the Owned Real Property, the Business and the Acquired Assets, upon delivery to Buyer on the Closing Date of the instruments of transfer contemplated by Section 4.3 and (ii) with respect to any Potential Acquired Assets related to any Acquired Lease Premises, upon delivery to the applicable Assignee of the instruments of transfer contemplated by an applicable Assignment and Assumption of Lease, and in each case subject to the terms of the Approval Order, thereby transfer to Buyer or the applicable Assignee, as applicable, good (and, in the case of owned real property, marketable fee simple) title to, or, in the

case of Potential Acquired Assets that are leased by Sellers, a valid leasehold interest in, all of the Potential Acquired Assets, free and clear of all Encumbrances, except for Permitted Encumbrances.

Section 6.6 Real Property.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, Sellers have good and marketable fee title to the Owned Real Property, free and clear of all liens (except for Permitted Encumbrances). None of the Owned Real Property is subject to any leases or tenancies or other rights of occupancy.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) there is no pending condemnation proceeding, administrative action or judicial proceeding of any type relating to the Owned Real Property or other matters affecting adversely the current use, occupancy or value of the Owned Real Property and (ii) neither the current use of the Owned Real Property nor the operations of Sellers violates any applicable legal requirements.

(c) The Initial Assigned Leases and the Designatable Leases constitute all leases and material Security Deposit Documents with respect to any real property for the Lease Premises. On or before the date hereof, Sellers have delivered or made available to Buyer true and complete copies of all Leases and Security Deposit Documents for the Lease Premises (it being agreed that, while Sellers shall use reasonable best efforts to deliver or make available to Buyer all such documents, Sellers shall not be deemed to have breached this representation if, in the case of Security Deposit Documents, lease amendments, non-disturbance agreements, subordination, non-disturbance and attornment agreements, waivers and consents in favor of any Seller and estoppel certificates from landlords, Sellers shall have only delivered or made available to Buyer true and complete copies of only those of the same which are material). There are no material agreements, understandings or undertakings pertaining to the Leases, the Security Deposits, the Security Deposit Documents, the Sellers' leasehold interest in the Properties, the Lease Premises or Sellers' use or occupation of the Lease Premises or any portion thereof which are in Sellers' possession which have not been disclosed to Buyer or made available in the data room made available to Buyer prior to the date hereof. To Sellers' Knowledge, no Person that is not a Seller has any right to possess, use or occupy the Lease Premises.

(d) Each of the Leases is legal, valid, binding and enforceable against Sellers party thereto and, to Sellers' Knowledge, against each other party thereto, in accordance with its terms (except for any direct or indirect restriction, limitation or condition on Sellers' assignment of the Leases to Buyer which shall not be of any force or effect pursuant to the Approval Order), and, subject to the entry of the Approval Order and payment of the Cure Costs and other than solely as a result of the filing of the Bankruptcy Cases or the financial condition of Holdings or its Subsidiaries, to Sellers' Knowledge, no event of default currently exists thereunder by any counterparty thereto, and no event has occurred thereunder that after the giving of notice or the passage of any applicable cure period or both would constitute an event of default of Sellers or, to Sellers' Knowledge, any other party thereto, and no Seller has delivered or received any written notice from the other party to any such Lease of the termination or surrender thereof, and the Leases have not been amended, modified or supplemented, except to the extent, in each case as

described in this Section 6.6(d), that the failure of the same to be true would not in the aggregate reasonably be expected to have a Material Adverse Effect.

(e) There are no pending condemnation or eminent domain proceedings or any proceedings in lieu thereof against any of the Lease Premises, Owned Real Property or any part thereof, except to the extent that the failure of the same to be true would not in the aggregate have a Material Adverse Effect.

Section 6.7 Taxes. There are no Encumbrances for Taxes on any of the Potential Acquired Assets other than statutory liens for current Taxes not yet delinquent or Taxes being contested in good faith. Each Seller has timely filed or caused to be timely filed with the appropriate Governmental Authority all material Tax Returns required to be filed by or on behalf of such seller with respect to or in connection with the Acquired Assets, the Properties, Business and the Assumed Liabilities. Such Tax Returns are true, complete and accurate in all material respects. Other than any Taxes the timely payment of which is precluded by the Bankruptcy Case, each Seller has paid and discharged in full all material amount of Taxes payable by or on behalf of such Seller. None of the Acquired Assets include or consist of an interest in any partnership, corporation or other regarded entity for U.S. federal, state or local income tax purposes. No Tax Proceeding is pending or has been threatened in writing against or with respect to any Seller in connection with the Potential Acquired Assets, the Properties, the Seller's business or the Assumed Liabilities. Each Seller has complied in all material respects with all applicable Laws (including information reporting requirements) relating to the collection, withholding and remittance of Taxes with respect to or in connection with the Acquired Assets, the Properties, the Seller's business and the Assumed Liabilities.

Section 6.8 Brokers or Finders. Sellers have not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement, the other Transaction Documents or the Transactions for which Buyer is or will become liable.

Section 6.9 Employee and Employee Plan Matters.

(a) No Seller is party to any collective bargaining, works council or similar Contract with any labor organization, union or association. No labor organization or group of employees of Sellers has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to the Knowledge of Sellers, threatened to be brought or filed, with the National Labor Relations Board or any other labor relations tribunal or authority. There is no pending labor dispute, strike, controversy, slowdown, work stoppage or lockout pending or, to the Knowledge of Sellers, threatened, against the Business or any Seller in connection with the Business, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There are no pending labor union grievances or unfair labor practices against any Seller, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Sellers are in compliance in all material respects with all Employment Laws. There are no pending employment-related lawsuits or administrative actions alleging violations of

Employment Laws against any Seller in state or federal court or pending with any Government Authority (including the U.S. Equal Employment Opportunity Commission, the U.S. Department of Labor or any equivalent state or local agencies charged with investigating or adjudicating employee claims concerning alleged violations of Employment Laws), except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Each Employee Plan that is intended to be a qualified under Section 401(a) of the Code has either received a favorable determination letter from the Internal Revenue Service or may rely on a favorable opinion letter issued by the Internal Revenue Service and, to the Knowledge of Sellers, nothing has occurred since the date of such determination or opinion letter that would reasonably be expected to adversely affect such qualification. Each Employee Plan has been established, operated and administered in compliance with its terms and applicable Laws (including ERISA and the Code), except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All contributions or other amounts payable by Sellers with respect to each Employee Plan in respect of current or prior plan years have been timely paid or accrued in accordance with applicable accounting standards.

(d) There are no actions, suits, audits or investigations by any Governmental Authority, termination proceedings or other claims (except routine claims for benefits payable under the Employee Plans) pending or, to the Knowledge of Sellers, threatened, other than any such investigations, proceedings or claims that would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) No Employee Plan is subject to Section 302 or Title IV of ERISA or Section 412, 430, or 4971 of the Code. During the immediately preceding six (6) years, no Liability under Section 302 or Title IV of ERISA has been incurred by Sellers or their respective ERISA Affiliates or their respective predecessors that has not been satisfied in full, and no condition exists that presents a risk to Sellers or any such ERISA Affiliates of incurring any such Liability.

(f) Neither Sellers nor any of their respective ERISA Affiliates has, at any time during the preceding six (6) years, contributed to, been obligated to contribute to or had any Liability (including any contingent Liability) with respect to any Multiemployer Plan or a plan that has two or more contributing sponsors, at least two of whom are not under common control, within the meaning of Section 4063 of ERISA, and no condition exists that presents a risk to Sellers or any such ERISA Affiliates of incurring any such Liability.

(g) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in conjunction with any other event): (i) entitle any current or former employee, officer, director or independent contractor of any Seller to any payment or benefit (or result in the funding of any such payment or benefit) under any Employee Plan; (ii) increase the amount of any compensation, equity award or other benefits otherwise payable by any Seller under any Employee Plan; (iii) result in the acceleration of the time of payment, funding or vesting of any compensation, equity award or other benefits under any Employee Plan; or (iv) result in any "excess parachute payment" (within the meaning of Section 280G of the Code) becoming due to any current or former employee, officer, director or independent contractor of any Seller.

Section 6.10 Intellectual Property.

(a) Set forth in Schedule 6.10(a) is a correct and complete list of all issued Patents, registered Trademarks, registered Copyrights, Domain Names and Media Accounts, and as applicable, all applications for each of the foregoing, which are owned by a Seller as of the date hereof or as of the Closing Date, including for each registered, issued or applied-for item: (i) the registered owner (and, if different, the legal owner) of the item, (ii) the jurisdiction in which the item is issued or registered or which any application for issuance or registration has been filed, (iii) the respective issuance, registration or application number of such item, (iv) the date of application and issuance or registration of the item, as applicable, and (v) with respect to Domain Names, the relevant domain name registrar and paid-until date.

(b) With respect to each item of Acquired Intellectual Property, including each item identified in Schedule 6.10(a):

(i) Sellers exclusively own all right, title and interest in and to each such Acquired Intellectual Property free and clear of any Encumbrance and from any Contract that restricts Sellers' right to use the Acquired Intellectual Property, in each case, except Permitted Pre-Closing Encumbrances; for the avoidance of doubt, Schedule 6.10(b)(i) shall identify the co-owner(s) of each item of Acquired Intellectual Property and the agreements under which any Seller and the co-owner(s) share ownership of such Intellectual Property;

(ii) the item is not subject to any outstanding material Order, not including any outstanding objection, rejection or refusal issued by the United States Patent and Trademark Office or the foreign equivalent thereof in connection with the prosecution or examination of a patent or trademark application; and

(iii) to Sellers' Knowledge, each issued Patent and registered Trademark (excluding those registered Trademarks that are currently in the grace period) is valid, subsisting and enforceable and duly registered or issued, as applicable, in the name of a Seller.

(c) Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business or the ownership or operation of the Acquired Assets, to Sellers' Knowledge: (i) neither the operation of the Business nor the Acquired Assets (other than the Acquired Inventory) is infringing, misappropriating, diluting or violating or have, since the beginning of the Current Fiscal Year, infringed upon, misappropriated, diluted or otherwise violated, any Intellectual Property of any other Person, (ii) since the beginning of the Current Fiscal Year, no Seller has received any written charge, complaint, claim, demand, or notice (including in the form of "cease and desist" letters, indemnification claims or "invitation to license" offers) alleging any such infringement, misappropriation, dilution or violation, nor is there any Action pending or threatened relating to the same, and (iii) since the beginning of the Current Fiscal Year, no Person has initiated or threatened any Action challenging the validity, enforceability or ownership of any Acquired Intellectual Property. To the Knowledge of Sellers, no Person has infringed upon, misappropriated, diluted or otherwise violated any of the Acquired Intellectual Property in any material respect.

(d) To the extent any current or former officers, directors, employees, contractors and consultants of Sellers have made contributions for or on behalf of Sellers to the creation or development of any Intellectual Property that is material to the operations of Sellers, Sellers own the entire right, title and interest in such contributions.

(e) Since the beginning of the Current Fiscal Year, there has been no material failure or other material substandard performance of any servers, computer hardware, networks, Software, databases, telecommunications systems, interfaces or related systems (collectively, “IT Systems”) of Sellers, which has caused any material disruption to the operation of any of Sellers’ businesses. Sellers have taken commercially reasonable (i) steps to provide for the backup and recovery of data and commercially reasonable disaster recovery plans, procedures and facilities of IT Systems included in the Potential Acquired Assets and, as applicable, have taken commercially reasonable steps to implement such plans and procedures and (ii) actions to protect the integrity and security of IT Systems included in the Potential Acquired Assets, the information stored thereon and Acquired Data from unauthorized use or access by third parties and from viruses and contaminants. Since the beginning of the Current Fiscal Year, and to the Knowledge of Sellers, since January 1, 2017, there have been no material unauthorized intrusions or breaches of the security of the IT Systems (including any ransomware attack), nor any material loss or breach of, or unauthorized access to, any data, in each case with respect to IT Systems or data that relate to the Potential Acquired Assets.

(f) Sellers have taken commercially reasonable steps to protect and preserve the secrecy and confidentiality of all information and materials that derive independent economic value from not being generally known to the public and all Know-How of third parties which was provided to a Seller under confidentiality obligations. Sellers have not (A) deposited or agreed to deposit any source code of Software the rights to which are included in the Potential Acquired Assets into a source code escrow or (B) disclosed or agreed to disclose or delivered or agreed to deliver such source code to any Person, other than disclosures made pursuant to clause (B) to Persons who are subject to confidentiality obligations which restrict their use and disclosure of such source code to other Persons not bound by confidentiality restrictions, and no Person has any contractual right to receive such source code.

(g) Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business or the ownership or operation of the Acquired Assets, since the beginning of the Current Fiscal Year, and to the Knowledge of Sellers, since January 1, 2017, (i) Sellers have complied with all applicable Laws and contractual obligations relating to the collection, transfer, storage, disposal, use, processing and disclosure of the Customer Data included in the Acquired Data, and (ii) to the Knowledge of Sellers, there have been no losses or thefts of Customer Data or any other data held by or on behalf of Sellers, and in each case, included in the Acquired Data. Since January 1, 2016, Sellers have not received any unresolved written notice, request or written claim from any Person, including any Governmental Authority, concerning the material violation of any applicable Laws relating to the collection, transfer, storage, disposal, use, processing or disclosure of personally identifiable information, and, to the Knowledge of Sellers, no investigation by any Governmental Authority regarding a violation of such Laws is pending or threatened, in each case, solely as related to the Potential Acquired Assets.

Section 6.11 Material Contracts.

(a) Schedule 6.11 sets forth all of the following Orders or Contracts to which any Seller is a party or by which it is bound and that are currently in effect (or by which the Potential Acquired Assets may be bound or affected) other than the Leases (collectively, whether or not disclosed on Schedule 6.11, the “Material Contracts”):

(i) with any labor union or association representing any Employees of any Seller;

(ii) for the sale after the date hereof of any Potential Acquired Asset owned or used by Sellers for consideration in excess of \$15,000,000;

(iii) relating to the pending acquisition by any Seller of any operating business or the capital stock of any other Person;

(iv) which is an IP License with respect to which annual payments or consideration furnished by or to Sellers pursuant to such IP License with respect to the Business is in excess of fifteen million dollars (\$15,000,000) in the Current Fiscal Year (other than, (A) in the case of Inbound IP Licenses, (x) off-the-shelf, non-customized computer programs, and (y) non-exclusive licenses granted by suppliers and other service providers of Sellers, in each case, to the extent necessary to use, sell and offer to sell the products and services of such suppliers or service providers, as applicable, and entered into in the Ordinary Course of Business; and (B) in the case of Outbound IP Licenses, non-exclusive licenses to customers, suppliers, vendors and other service providers of Sellers, in each case to the extent necessary for their respective use of the products and services of the Business or for the manufacture of products on behalf of Sellers or provision of services to Sellers in connection therewith and entered into in the Ordinary Course of Business);

(v) which involve any Potential Transferred Agreement (other than purchase orders entered into in the Ordinary Course of Business) the performance of which involves payment by or to any of Sellers of consideration in excess of \$15,000,000 over the Current Fiscal Year and which cannot be canceled by notice of ninety (90) days or fewer without penalty or payment; and

(vi) which regard the employment, services, consulting, termination or severance from employment relating to or for the material benefit of any director, officer, employee, independent contractor or consultant of any Seller and require annual payments by any Seller in excess of \$400,000.

(b) Sellers have delivered to Buyer true and complete copies of such Material Contracts and any and all amendments, modifications, supplements, exhibits and restatements thereto and thereof in effect as of the date of this Agreement; provided, however, that Sellers shall not be required to deliver any Material Contract or amendment, modification, supplement, exhibit or restatement thereto that cannot be located notwithstanding the reasonable efforts of Sellers to locate such document if and only if such Material Contract is not an Assigned Agreement.

(c) Each Material Contract is in full force and effect, has not been amended, modified or supplemented and is the valid and binding obligation of the Seller party thereto, and to the Knowledge of Sellers, each other party thereto, in each case except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws now or hereafter in effect relating to creditor's rights generally or general principles of equity.

(d) If any Material Contract were to be designated by Buyer for assignment as an Assigned Agreement, upon entry of the Approval Order and payment of the Cure Costs, no Seller is in breach or in default under any Material Contract.

Section 6.12 Seller SEC Reports. Since the beginning of the Current Fiscal Year, SHC has filed or furnished (as applicable) all forms, reports, schedules, statements and other documents with the SEC that have been required to be filed or furnished (as applicable) by it under applicable Laws prior to the date hereof (all such forms, reports, schedules, statements and other documents, as amended and supplemented, and together with all exhibits and schedules thereto, the "Seller SEC Reports"). As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of such amended or superseded filing), (a) each Seller SEC Report complied as to form in all material respects with the applicable requirements of the Securities Act, the Exchange Act or the Sarbanes-Oxley Act, as the case may be (including, in each case, the rules and regulations promulgated thereunder), each as in effect on the date such Seller SEC Report was filed, and (b) each Seller SEC Report did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 6.13 Financial Statements. The consolidated financial statements of SHC and its Subsidiaries included or incorporated by reference into the Seller SEC Reports have been prepared in accordance with GAAP consistently applied during the periods and at the dates involved (except as may be indicated in the notes thereto or, with respect to any unaudited interim financial statements, the absence of footnote disclosures and other presentation items and normal year-end audit adjustments or as permitted by the SEC's rules and forms), comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto and fairly present in all material respects the consolidated financial position of SHC and its Subsidiaries as of the dates thereof and the consolidated results of operations and cash flows for the periods then ended.

Section 6.14 Litigation. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, there are no Actions pending or, to the knowledge of Sellers, threatened before, or by any Governmental Authority against any Seller with respect to the Business.

Section 6.15 No Other Representations or Warranties; No Survival. Except for the representations and warranties contained in this Article VI (subject to the disclosures set forth on the Schedules) and in the other Transactions Documents, as applicable, neither Sellers nor any other Person on behalf of Sellers makes any express or implied representation or warranty with respect to Sellers, its Subsidiaries, the Business, the Acquired Assets, the Assumed Liabilities, the Transactions or with respect to any information provided by or on behalf of Sellers to Buyer and Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of

Seller or any of their respective officers, directors, employees, agents or representatives. Except for the representations and warranties contained in this Article VI and in the other Transactions Documents, as applicable, the Sellers (a) expressly disclaim and negate any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Acquired Assets (including any implied or expressed warranty of merchantability or fitness for a particular purpose, or of conformity to models or samples of materials) and (b) disclaim all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Buyer or its Affiliates or their respective representatives (including any opinion, information, projection, or advice that may have been or may be provided to Buyer by any Representative of Seller or any of its Affiliates). It is expressly acknowledged and agreed that Sellers make no representations or warranties to Buyer regarding the success or profitability of the Business or with respect to the assets, liabilities or business of the Business (as defined in the SHIP Purchase Agreement). The representations and warranties of Sellers will expire upon the Closing Date.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers that the statements contained in this Article VII are true and correct as of the date hereof:

Section 7.1 Organization and Good Standing; Organizational Documents; Ownership. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the requisite power and authority to own or lease and to operate and use its properties and the Acquired Assets and to carry on its business as now conducted and the Business. Buyer has delivered to Seller true and correct copies of the organizational documents of Buyer in effect as of the date hereof. All of the equity interests in Buyer as of the date hereof are owned of record and beneficially as set forth on Schedule 7.1.

Section 7.2 Authority; Validity; Consents. Buyer has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the Transactions. The execution, delivery and performance of this Agreement by Buyer and the consummation by Buyer of the Transactions have been duly and validly authorized by all requisite corporate, partnership or limited liability company actions in respect thereof. This Agreement has been duly and validly executed and delivered by Buyer and each other Transaction Document required to be executed and delivered by Buyer at any time will be duly and validly executed and delivered by Buyer. This Agreement and (when duly executed by Buyer) the other Transaction Documents constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws now or hereafter in effect relating to creditors' rights generally or general principles of equity. Subject to requisite Bankruptcy Court approval, as applicable, Buyer is not and will not be required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party or the consummation or performance of any of the Transactions, except for (a) expiration or termination of any applicable waiting periods under the HSR Act and

(b) such notices, filings and consents, the failure of which to provide, make or obtain, would not, individually or in the aggregate, have a material adverse effect on Buyer's right or ability to consummate the Transactions. There are no consents of any Buyer Related Party required for the execution, delivery and performance of the Transaction Documents and the consummation of the Transactions, including for the satisfaction of any condition set forth in Article X or Article XI.

Section 7.3 No Conflict. When the consents and other actions described in Section 7.2 have been obtained and taken, the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the Transactions will not result in the breach of any of the terms and provisions of, or constitute a default under, or materially conflict with, or require consent or the giving of a notice under, or cause any acceleration of any material obligation of Buyer under (a) any organizational documents of Buyer, (b) any Order or (c) any Law, except to the extent any such default, conflict or consent would not affect in any material respect Buyer's ability to consummate the Transactions.

Section 7.4 Financing; Availability of Funds.

(a) Buyer shall deliver to Sellers concurrently herewith or prior to the execution of this Agreement a true, correct and complete copies of:

(i) an executed equity commitment letter (the "Equity Commitment Letter") to Buyer from ESL Investments, Inc. (the "Sponsor"), including all annexes, exhibits, schedules and other attachments thereto, dated as of the date hereof, pursuant to which the Sponsor has committed to provide Buyer with equity financing in the amount set forth therein (the "Equity Financing") for the purpose of funding the Transactions;

(ii) an executed mortgage loan commitment letter (the "Real Estate Financing Commitment Letter") to Buyer from the Cyrus Lender and the Sponsor, including all annexes, exhibits, schedules and other attachments thereto, dated as of the date hereof, pursuant to which Cyrus and the Sponsor have committed to provide Buyer with real estate mortgage financing in the amount set forth therein (the "Real Estate Financing") for the purpose of funding the Transactions;

(iii) the executed Cyrus Commitment Letter; and

(iv) the executed ABL Commitment Letter and the related fee letter (provided that fees, economics and other provisions which are customarily redacted in connection with acquisitions of this type may be redacted in a customary manner (to the extent any such provisions would not adversely affect the conditionality, enforceability, or availability of the amount of the Debt Financing necessary to consummate the Transactions)).

(b) As of the date hereof, the Commitment Letters are in full force and effect and have not been withdrawn or terminated or otherwise amended or modified in any respect. As of the date hereof, the Commitment Letters are a legal, valid and binding obligation of Buyer and, to the knowledge of Buyer, the other parties thereto (subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and to general principles of equity). As of the date hereof, (x) there are no side letters or

other agreements, contracts or arrangements to which Buyer or any of its Affiliates is a party relating to the Financing that could affect the availability of the amount of the Financing funded on the Closing Date necessary to consummate the Transactions and (y) there are no conditions precedent or other contingencies related to the funding the Financing that could adversely affect the availability of the Financing or the timing of the Closing, other than as expressly set forth in the Commitment Letters. Buyer has fully paid any and all commitment fees or other fees required by the Commitment Letters to be paid by it on or prior to the date of this Agreement. Assuming the satisfaction of the conditions set forth in Article X, as of the date hereof, Buyer has no reason to believe that any of the conditions to the Financing in the Commitment Letters will not be satisfied. As of the date hereof, Buyer is not aware of any fact or occurrence that, with or without notice, lapse of time or both, would reasonably be expected to result in the Financing not being available on a timely basis in order to consummate the Transactions.

(c) Assuming (i) the accuracy of the representations and warranties set forth in Article VI of this Agreement and (ii) the performance by Sellers of their respective obligations hereunder in a manner sufficient to satisfy the condition specified in Section 10.2, the net proceeds from the Financing will be sufficient to consummate the Transactions, including the payment by Buyer of all obligations pursuant to this Agreement and any fees and expenses payable by Buyer on the Closing Date (including in respect of the Debt Financing).

(d) The obligations of Buyer under this Agreement are not contingent on the availability of the Debt Financing.

(e) Buyer owns of record and beneficially obligations in the amount it is credit bidding under Section 3.1(b) and a sufficient amount of the aggregate obligations outstanding under the Second Lien Term Loan, Second Lien Line of Credit Facility and the Second Lien PIK Notes to direct the Second Lien Trustee to credit bid 100% of such amount as provided in Section 3.1(b)(iv).

Section 7.5 Litigation. There are no Proceedings pending or, to the knowledge of Buyer, threatened, or to which Buyer is otherwise a party before any Governmental Authority, that would affect in any material respect Buyer's ability to perform its obligations under this Agreement or any other Transaction Documents or to consummate the Transactions.

Section 7.6 Brokers or Finders. Except for any brokers utilized by Buyer in the normal course of business (which brokers shall be compensated, if at all, by Buyer), neither Buyer nor any Person acting on behalf of Buyer has paid or become obligated to pay any fee or commission to any broker, finder, investment banker, agent or intermediary for or on account of the Transactions for which Sellers are or will become liable, and Buyer shall hold harmless and indemnify Sellers from any claims with respect to any such fees or commissions.

Section 7.7 Condition of Acquired Assets; Representations.

(a) Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges and agrees that Sellers are not making any representations or warranties whatsoever, express or implied, beyond those expressly given by Sellers in Article VI (subject to the disclosures set forth on the Schedules), and Buyer acknowledges and agrees that the Acquired Assets are being transferred on an "as is", "where is" basis. Buyer acknowledges and accepts the

disclaimers made by Sellers in Section 6.16. Buyer acknowledges that it has conducted to its satisfaction its own independent investigation of the Business, the Acquired Assets and Assumed Liabilities and, in making the determination to proceed with the Transactions, Buyer has relied solely on the results of its own independent investigation. In connection with Buyer's investigation, Buyer has received or may receive from Sellers certain projections, forward-looking statements and other forecasts and certain business plan information. Buyer acknowledges that Sellers make no representation or warranty with respect to forward-looking estimates, projections, forecasts or plans (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans). Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Buyer is familiar with such uncertainties, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans), and that Buyer shall have no claim against anyone with respect thereto. Accordingly, Buyer acknowledges that Sellers make no representation or warranty with respect to such estimates, projections, forecasts or plans (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans) or the success or profitability of the Business.

Section 7.8 No Survival. The representations and warranties of Buyer will expire upon the Closing Date.

ARTICLE VIII

ACTION PRIOR TO THE CLOSING DATE

Section 8.1 Operations.

(a) From the date hereof and prior to the Closing, except (i) as required by applicable Law, (ii) as expressly contemplated by this Agreement or (iii) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned), Sellers covenant and agree to comply with applicable Law in all material respects and to use commercially reasonable efforts to conduct their business in the Ordinary Course of Business (taking into account Sellers' status as debtors-in-possession), including (A) to maintain and preserve the Potential Acquired Assets in their condition as of October 15, 2018 (including by using commercially reasonable efforts to comply with instructions from Buyer as to the renewal (or lack of renewal) of each Lease and other Potential Transferred Agreement that comes up for renewal), other than reasonable wear and tear, casualty and condemnation (which shall be governed by Section 12.3), and sales of Inventory in the Ordinary Course of Business, (B) by using commercially reasonable efforts to cause the landlord under the respective Leases and any applicable counterparty under the Outbound IP Licenses and any other Potential Transferred Agreements to perform such parties' covenants, agreements and obligations under the respective Leases, Outbound IP Licenses and other Potential Transferred Agreements and (C) managing Inventory in the Ordinary Course of Business, including with regard to Inventory in transit and Inventory located in distribution centers (and for the avoidance of doubt, Sellers shall not delay taking delivery of Inventory that would be Acquired Inventory on the Closing Date if delivery of such Inventory were managed in the Ordinary Course of Business prior to the Closing Date;

provided, that Sellers shall be permitted to reasonably manage the amount of Inventory in consultation with Buyer in order to satisfy the condition set forth in Section 10.9 and Section 10.10 as of the Closing). Sellers shall promptly notify Buyer of (x) any notice or other written communication from any Person alleging that the consent of such Person is or may be required in connection with the consummation of the Transactions; and (y) the commencement of any material Proceedings related to the business conducted by Sellers, the Designations Rights or the Potential Acquired Assets; provided, however, that the delivery of any notice pursuant to this Section 8.1(a) will not (A) limit or otherwise affect any remedies available to Buyer or Sellers, or (B) be deemed to amend or supplement any Schedule or prevent or cure any misrepresentations or breach of representation or warranty.

(b) Without limiting the generality of the foregoing, from the date hereof and prior to the Closing, Sellers covenant and agree:

(i) not to sell, lease (as lessor), license (as licensor), transfer or otherwise dispose of, or mortgage or pledge, or voluntarily impose or suffer to be imposed any Encumbrance (other than Permitted Pre-Closing Encumbrances) on, any Potential Acquired Assets (excluding the Acquired Intellectual Property and Acquired Data, which are addressed below), other than sales of Inventory in the Ordinary Course of Business;

(ii) not to assign, transfer, otherwise dispose of or convey any Patent, Trademark, registered or applied-for Copyright or Domain Name included in the Acquired Intellectual Property, or any other material Acquired Intellectual Property or any Acquired Data, except, with respect to the purging of any Acquired Data, as required by the consumer privacy ombudsman or the Bankruptcy Court; provided Sellers provide Buyer written notice describing the steps that Sellers plan to take in order to accomplish such requirement, at least five (5) Business Days prior to any response that would violate this covenant absent such requirement;

(iii) not to allow to lapse, abandon, cancel, fail to renew or fail to continue to prosecute, protect or defend any (A) Patent, Trademark, registered or applied-for Copyright or Domain Name included in the Acquired Intellectual Property, or any other material Acquired Intellectual Property, in each case, other than registered Trademarks (x) that Sellers have ceased to use and intend not to resume use of and (y) that have entered the grace period for renewal, or (B) Acquired Data, except, with respect to the purging of any Acquired Data, as required by the consumer privacy ombudsman or the Bankruptcy Court; provided Sellers provide Buyer written notice describing the steps that Sellers plan to take in order to accomplish such requirement, at least five (5) Business Days prior to any response that would violate this covenant absent such requirement;

(iv) not to license or grant any Person any rights to any Acquired Intellectual Property or any Acquired Data (other than, in each case, non-exclusive licenses granted to customers, vendors, suppliers and other service providers of Sellers to the extent necessary for their respective use of the products and services of Sellers or for the provision of services to Sellers in connection therewith and entered into in the Ordinary Course of Business);

(v) not to modify any privacy policies, notices or statements in a manner that (A) limits the ability or right of a Seller to sell and transfer the Acquired Data to Buyer, or (B) limits the use of the Acquired Data by Buyer after the Closing;

(vi) not to settle, pay, discharge or satisfy any material Action that, in each case, would constitute a Potential Acquired Asset (for the avoidance of doubt, other than any Excluded Assets) or Assumed Liability where such settlement, payment, discharge or satisfaction would impose any restrictions or limitations upon the operation of Sellers' business or any Acquired Assets, whether before or after the Closing Date;

(vii) not to cancel or compromise any claim or waive or release any right related to any Potential Acquired Asset (for the avoidance of doubt, other than any Excluded Assets);

(viii) except as required by Section 8.1(a) or permitted under Section 8.1(b)(iv) with respect to Outbound IP Licenses, not to amend, supplement, modify, terminate or enter into any Leases, Outbound IP Licenses (under which a Seller is a licensor) or other Potential Transferred Agreements;

(ix) unless required by Law, not to take any action, without the consent of Buyer (which may not be unreasonably delayed, conditioned or denied), with respect to Taxes or Tax matters that is not in the Ordinary Course Of Business and that (A) would materially adversely affect the Potential Acquired Assets, the Properties, Business and the Assumed Liabilities or (B) otherwise could reasonably be expected to increase the Tax Liability of Buyer or any of its Affiliates;

(x) to use commercially reasonable efforts to cause any applicable counterparty under the IP Licenses included in the Assigned Agreements to perform such party's covenants, agreements and obligations under such IP Licenses, including with respect to quality control;

(xi) not to grant or terminate any other interests in any Potential Acquired Asset (other than sales of Inventory in the Ordinary Course of Business);

(xii) not to seek or obtain an order approving rejection of a Lease or other Potential Transferred Agreement;

(xiii) not to issue any gift cards, gift certificates, merchandise credits, return credits, customer membership or customer loyalty discount programs, coupons, grouppons or other similar credits or programs at a discount or pursuant to any promotion that would result in any Seller receiving less than face value in such issuance;

(xiv) not to (A) increase the annual level of compensation payable or to become payable by any Seller to any director or officer of any Seller, except in the Ordinary Course of Business, (B) increase the annual level of compensation payable or to become payable by any Seller to any other employee of any Seller, except in the Ordinary Course of Business, (C) grant any unusual or extraordinary bonus, benefit or other direct or indirect

compensation to any director, officer or employee except as authorized by the Bankruptcy Court, (D) increase the coverage or benefits available under any (or create any new) Employee Plan (E) take any action (other than a termination of employment in accordance with clause (xiv) of this Section 8.1(b)), whether in writing or otherwise, that has or could reasonably be expected to have the effect of increasing in any manner the liability of the Buyer or any Seller for any severance or other post-termination payments or benefits otherwise payable or due to any individual or group of individuals, or otherwise enhancing, or accelerating the timing of, such payment or benefit or accelerating the funding thereof, or (F) enter into any employment, deferred compensation, severance, consulting, noncompetition or similar agreement to which any Seller is a party or involving a director, officer or employee of any Seller, except, in each case, as required by applicable Law from time to time in effect or by any of the Employee Plans as in effect on the date hereof;

(xv) not to terminate the employment of any director, officer or employee of any Seller other than in the Ordinary Course of Business;

(xvi) not to enter into, modify or terminate any labor or collective bargaining agreement or, through negotiation or otherwise, make any commitment or incur any liability to any labor organization with respect to any Potential Acquired Asset;

(xvii) not to permit Sears Re to (A) pay any dividend or distribution, (B) issue any debt or equity securities or (C) take any of the actions described in this Section 8.1(b) with respect to its assets or Contracts; and

(xviii) not to enter into any agreement or commitment to take any action prohibited by this Section 8.1(b).

(c) Without in any way limiting any Party's rights or obligations under this Agreement, the Parties understand and agree that (i) nothing contained in this Agreement shall give Buyer, directly or indirectly, the right to control or direct the operations of Sellers, Sellers' business or the Properties prior to the applicable Closing Date and (ii) prior to the Closing Date, Sellers shall exercise, consistent with, and subject to, the terms and conditions of this Agreement, complete control and supervision over the operations of Sellers, the Business and the Properties to the extent permitted by Law, including taking into account Sellers' status as debtors-in-possession in the Bankruptcy Case. Notwithstanding anything herein to the contrary, Sellers shall be permitted to take all actions that are necessary or desirable to comply with the WARN Act, including providing any notices required under the WARN Act, and no such actions shall constitute a violation of this Section 8.1.

Section 8.2 Bankruptcy Court Matters.

(a) Reserved.

(b) Bankruptcy Court Filings and Approvals.

(i) Buyer agrees that it will promptly furnish such affidavits or other documents or information for filing with the Bankruptcy Court as are reasonably requested by Sellers

to assist Sellers in obtaining entry of the Approval Order, including a finding of adequate assurance of future performance by Buyer. Sellers shall provide Buyer with advance drafts of any motions, pleadings or Bankruptcy Court filings relating to the sale of the Acquired Assets or the Approval Order no later than two (2) Business Days prior to the date Sellers intend to file such motion, pleading or Bankruptcy Court filing to the extent practicable (or, to the extent not practicable, as soon as reasonably practicable prior to the filing of such pleading). Buyer may file or join in any motion, pleading or Bankruptcy Court filing in support or seeking approval of, and reply to any response or objection to, the sale of the Acquired Assets hereunder, and the Approval Order.

(ii) Sellers shall file such motions or pleadings as may be appropriate or necessary to assume and assign the Assigned Agreements and to determine the amount of the Cure Costs; provided, that subject to Section 2.7, Section 2.9 and Section 5.2, nothing herein shall preclude Sellers from filing such motions, including from and after the Petition Date, to reject any Contracts that are not Assigned Agreements.

(iii) This Agreement is subject to approval by the Bankruptcy Court and the consideration by Sellers of higher or better Competing Transactions.

(iv) Sellers and Buyer acknowledge that Buyer (or any applicable Assignee) must provide adequate assurance of future performance under the Assigned Agreements to be assigned by Sellers, and Buyer hereby agrees to provide such adequate assurance to the extent required under the Bankruptcy Code and the Bidding Procedures Order, including by demonstrating financial wherewithal to pay Cure Costs.

(v) Buyer and Sellers shall reasonably cooperate as requested by the consumer privacy ombudsman appointed in these Bankruptcy Cases and shall use commercially reasonable efforts to take actions recommended by such ombudsman pursuant to 11 U.S.C. § 332 in any report authored by such ombudsman and approved or adopted by the Bankruptcy Court in the Approval Order.

(vi) After entry of the Approval Order, Sellers shall not take any action which is intended to, or fail to take any action the intent of which failure to act is to, result in the reversal, voiding, modification or staying of the Approval Order.

(vii) If applicable, Sellers shall cause any plan of reorganization or liquidation approved in the Bankruptcy Cases to permit assumption of Sellers' executory contracts and unexpired leases of real property through the end of the Designation Rights Period.

(c) Back-Up Bidder. Sellers and Buyer agree that, in the event that Buyer is not the winning bidder at the Auction, if (i) Buyer submits the second highest or second best bid at the Auction or the terms of this Agreement constitute the second highest or best bid, and (ii) Sellers give written notice to Buyer on or before the tenth (10th) Business Day prior to the Outside Date, stating that Sellers (A) failed to consummate the sale of the Acquired Assets with the winning bidder, and (B) terminated the purchase agreement with the winning bidder, Buyer shall promptly consummate the Transactions upon the terms and conditions as set forth herein, including the Purchase Price.

(d) Bankruptcy Milestones. The Parties will use reasonable best efforts to comply with the following milestones:

(i) to obtain entry of the Approval Order by the Bankruptcy Court on or before February 8, 2019 (subject to Bankruptcy Court availability).

(ii) to close the Transactions on or before February 19, 2019.

Section 8.3 Registrations, Filings and Consents.

(a) Subject to the Parties' additional obligations under this Section 8.3, each Party shall use its respective reasonable best efforts and, as applicable, cooperate with the other Parties, to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things reasonably necessary, proper or advisable under Laws to consummate and make effective the Transactions, including using its respective reasonable best efforts (i) to fulfill all conditions to the other Party's obligation to effect the Closing in Article X, (ii) to execute, acknowledge and deliver in proper form any further documents, certificates, agreements and other writings, and take such other action as such other Party may reasonably require, in order to effectively carry out the intent of the Transaction Documents, (iii) to make or cause to be made all registrations, filings, notifications, submissions and applications with, to give all notices to and to obtain any consents, governmental transfers, approvals, orders, qualifications and waivers from any Governmental Authority necessary for the consummation of the Transactions and (iv) not take any action that could reasonably be expected to have the effect of delaying, impairing or impeding the receipt of any such consents, approvals or waivers.

(b) The Parties shall duly file with the FTC and the Antitrust Division the notification and report forms (each an "HSR Filing"), that may be required under the HSR Act necessary to consummate the Transactions, as promptly as possible and in no event later than January 18, 2019, including with respect to Buyer causing to be filed by its Affiliates and interest holders any HSR Filings necessary to consummate the Transactions. If an HSR Filing is required, each Party shall cooperate with the other Party to the extent necessary to assist the other Party in the preparation of its HSR Filing, to request early termination of the waiting period required by the HSR Act with respect to the HSR Filing and, if requested, to promptly amend or furnish additional information under its HSR Filing. Each Party shall as promptly as practicable comply with any Laws that are applicable to any of the Transactions and pursuant to which any consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority is necessary. Subject to applicable Laws and the preservation of any applicable attorney-client privilege, the Parties shall promptly furnish to each other all such information as is necessary to prepare any such registration, declaration or filing. The Parties shall have joint decision-making authority with respect to the strategy for obtaining any necessary consents, approvals, orders or authorizations from any Governmental Authority, including under any Antitrust Laws. Neither Buyer nor Sellers, nor their respective counsel, shall independently participate in any substantive call or meeting with any Governmental Authority regarding the Transactions without giving the other Party or its counsel prior notice of such call or meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate. In furtherance of the foregoing and to the extent permitted by applicable Law: (i) each Party shall notify the other, as far in advance as practicable, of any material or substantive communication or inquiry it or any of

its Affiliates or Subsidiaries intends to make with any Governmental Authority relating to the matters that are the subject of this Section 8.3; (ii) prior to submitting or making any such communication or inquiry, such Party shall provide the other Party and its counsel a reasonable opportunity to review, and shall consider in good faith the comments of the other Party in connection with, any such communication or inquiry; (iii) promptly following the submission or making such communication or inquiry, provide the other Party with a copy of any such communication or inquiry, if in written form; and (iv) consult with the other Party in connection with any inquiry, hearing, investigation or litigation by, or negotiations with, any Governmental Authority relating to the Transactions, including the scheduling of, and strategic planning for, any meetings with any Governmental Authority relating thereto. In exercising the foregoing cooperation rights, Buyer and Sellers each shall act reasonably and as promptly as reasonably practicable. Notwithstanding the foregoing, materials provided pursuant to this Section 8.3 may be reasonably redacted (A) to remove references concerning the valuation of the Transactions, (B) as necessary to comply with contractual arrangements, (C) as necessary to address reasonable privilege concerns or (D) as otherwise required by Law. The Parties shall bear their own costs and expenses incurred with respect to the preparation of their respective filings contemplated in this Section 8.3(b), provided, however, that Buyer shall pay the filing fees, if any, in connection therewith.

(c) Each of Seller and Buyer agrees that it will (and will cause its Affiliates to), if necessary to enable the Parties to consummate the Transactions, use reasonable best efforts to defend against any Actions that would prevent, delay or challenge the Transaction Documents or the consummation of the Transactions, including by seeking to vacate or reverse any temporary restraining order, preliminary injunction or other legal restraint or prohibition entered or imposed (or which becomes reasonably foreseeable to be entered or imposed) by any court or other Governmental Authority that is not yet final and nonappealable, in order that the Transactions shall occur as promptly as reasonably practicable and in any event no later than the Outside Date.

(d) Buyer shall, at Buyer's sole cost, take, or cause to be taken, any and all actions and do, or cause to be done, any and all things necessary, proper or advisable to avoid, eliminate and resolve each and every impediment and obtain all Consents required to permit the satisfaction of the conditions in Section 10.4, Section 10.5, Section 11.3, and Section 11.4, as promptly as reasonably practicable and in any event no later than the Outside Date, including by offering and causing its Affiliates to offer to: (i) sell or otherwise dispose of, or hold separate and agree to sell or otherwise dispose of specific assets or categories of assets or businesses constituting the Business or any of the Acquired Assets or any other assets or businesses owned by Buyer or its Affiliates; (ii) terminate any existing relationships and contractual rights and obligations of Buyer or its Affiliates including, after the Closing, the Business or any of the Acquired Assets; (iii) amend or terminate such existing licenses or other intellectual property agreements and to enter into such new licenses or other intellectual property agreements; (iv) take any and all actions and make any and all behavioral commitments, whether or not they limit or modify Buyer's or its Affiliates' rights of ownership in, or ability to conduct the business of, one or more of its or their operations, divisions, businesses, product lines, customers or assets, including, after the Closing, the Business or any of the Acquired Assets; and (v) enter into agreements, including with the relevant Governmental Authority, giving effect to the foregoing clauses (i) through (iv) (such actions in clauses (i) through (v), "Antitrust Actions"); provided, that such Antitrust Actions are conditioned

upon and become effective only from and after the Closing. In furtherance of the foregoing, prior to the Closing, Buyer shall keep Sellers reasonably informed of all matters, discussions and activities relating to any of the matters described in or contemplated by clauses (i) through (v) of this Section 8.3(d).

(e) Notwithstanding anything herein to the contrary, neither Buyer nor Seller, without the other Party's prior written consent, shall (i) enter into any timing, settlement or similar agreement, or otherwise agree or commit to any arrangement that would have the effect of extending, suspending, lengthening or otherwise tolling the expiration or termination of the waiting period applicable to the Transactions under the HSR Act or any Antitrust Laws, or (ii) enter into any timing or similar agreement, or otherwise agree or commit to any arrangement, that would bind or commit the Parties not to complete the Transactions (or that would otherwise prevent or prohibit the Parties from completing the Transactions).

Section 8.4 Financing Assistance; Additional Information.

(a) From the date hereof to earlier of (x) the date this Agreement is terminated in accordance with its terms and (y) the Closing Date, Sellers shall provide to Buyer and shall use reasonable best efforts to cause its officers, employees and advisors to provide to Buyer, such cooperation as is customary for financings of the type contemplated by the Debt Commitment Letters and as is reasonably requested by Buyer in connection with arranging and obtaining the Debt Financing, which cooperation includes using reasonable best efforts to (i) cause the participation by one or more representatives of senior management in a reasonable number of meetings, due diligence sessions and presentations upon reasonable prior notice and in reasonably convenient locations, (ii) reasonably assist Buyer and the ABL Financing Sources with the preparation of (A) one or more customary bank information memoranda (and, to the extent necessary, additional information memoranda that do not include material non-public information), (B) customary materials for rating agency presentations, (C) syndication materials, (D) lender presentations and (E) other customary marketing and similar documents, each in connection with the syndication and marketing of the ABL Financing (including customary authorization and representation letters), (iii) furnish to Buyer and the ABL Financing Sources, on a timely basis, the Required Information and such other customary financial and other pertinent information regarding Sellers (including information regarding the business, operations and financial projections thereof) as may be reasonably requested by Buyer to assist in the preparation of a customary confidential information memorandum or other customary information documents used in financings of the type contemplated by the ABL Commitment Letter, (iv) cooperate with the Buyer's and the ABL Financing Sources' reasonable evaluation of the applicable Sellers for the purpose of establishing collateral arrangements (including conducting, at the Buyer's sole cost and expense, appraisals and field audits contemplated by the ABL Commitment Letter and providing information reasonably requested with respect to inventory, receivables, cash management and accounting systems, deposit accounts and related assets and procedures), in each case, to the extent customary in asset-based revolving credit facilities (including by providing Buyer and the Financing Sources with reasonable and customary access to the books and records, properties and applicable representatives of Sellers), (v) (A) reasonably cooperate with the marketing efforts of Buyer and the Financing Sources for any portion of the Debt Financing and (B) ensure that the syndication efforts for the ABL Financing benefit materially from the existing

banking relationships of the Sellers, (vi) permit the use by Buyer and its Affiliates of the Sellers' logos and/or Trademarks included in the Acquired Assets in connection with the syndication of the Debt Financing, provided that such logos and/or marks are used in a manner that is not intended, or reasonably likely, to harm or disparage Sellers, (vii) cause the taking of corporate actions by the Sellers that are necessary to permit the consummation of the Financing on the Closing Date as are reasonably requested by Buyer, (viii) facilitate the release and termination, effective upon the Closing, of liens and security interests, including obtaining customary release letters (including delivery of draft Payoff Letters at least three (3) Business Days prior to the anticipated Closing Date), lien terminations and releases and other similar documents as may reasonably be requested by Buyer and (ix) execute and deliver any documents as reasonably requested by Buyer as are customary in financings of such type and as are accurate, and otherwise facilitate the pledging of and granting, recording and perfection of security interests in share certificates, securities and other collateral (including releasing any Liens on the Acquired Assets in connection with any existing indebtedness of Sellers) and the obtaining of appraisals, surveys and title insurance as reasonably requested by Buyer; it being understood and agreed that (A) no such corporate action will take effect prior to the Closing and (B) any such corporate action will only be required of the directors, members, partners, managers or officers of the Sellers who retain their respective positions as of the Closing; provided that no obligation of Sellers shall be effective until the Closing Date; provided, however, that nothing herein shall require Sellers to (A) waive or amend any terms of this Agreement or cause any condition to Closing set forth in Article X to not be satisfied or otherwise cause any breach of this Agreement, (B) authorize, execute, and/or deliver any certificate, document or instrument pursuant to the Debt Financing that will be effective prior to the Closing Date, (C) take any action that would conflict with any applicable Law, the organizational documents of Sellers or result in the contravention of, or would reasonably be expected to result in the violation or breach of, or default under, any Material Contract to which any of Sellers is a party or (D) prepare, assist in the preparation of, or otherwise provide any information that is not in the possession or control of Sellers or any other information to the extent such disclosure (x) may result in a waiver of attorney-client privilege, work product doctrine or similar privilege, provided that Sellers shall use reasonable best efforts to provide such information in a form or manner that would not waive such legal privilege (including by redacting or otherwise not disclosing any portion thereof the disclosure of which would jeopardize such privilege) or (y) would violate any confidentiality obligation of Sellers.

(b) Sellers shall not be required to pay any commitment fees or other fees or make any other payment (other than reasonable out-of-pocket costs) or incur any other liability or provide or agree to provide any indemnity in connection with the Debt Financing or any of the foregoing that would be effective prior to the Closing. Buyer shall promptly reimburse Sellers for all out-of-pocket costs and expenses (including attorneys' fees) incurred by Sellers or any of their Affiliates in connection with the cooperation of the Sellers contemplated by this Section 8.4 and shall indemnify and hold harmless Sellers, their Affiliates and their respective representatives from and against any and all losses suffered or incurred by any of them of any type in connection with the arrangement of any Financing and any information used in connection therewith, except in the event such loss or damage arises out of or results from the gross negligence, willful misconduct or bad faith by Sellers or their Affiliates or, in each case, their respective representatives.

Section 8.5 Financing.

(a) Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, as promptly as possible, all things necessary, advisable or desirable to (i) satisfy on a timely basis all terms, conditions, representations and warranties applicable to Buyer set forth in the Commitment Letters (including any flex provisions) (or, if deemed advisable by Buyer, seek a waiver of conditions applicable to Buyer contained in the Commitment Letters) (and, for the avoidance of doubt, this clause (i) shall have no effect where the failure to satisfy such terms, conditions, representations and warranties results directly from the Sellers' failure to furnish the Required Information or breach of their obligations hereunder in a manner that would cause the condition in Section 10.2 not to be satisfied), (ii) maintain in effect the Commitment Letters through the Closing Date (as such may be amended, supplemented, modified and replaced in accordance with the terms hereof), (iii) negotiate and enter into Debt Financing Documents and enforce its rights under the Debt Commitment Letters (other than pursuant to any Action taken prior to the satisfaction or waiver of the conditions set forth in Article X and Article XI hereunder) and (iv) upon satisfaction of the conditions set forth in the Commitment Letters, consummate the Financing at the Closing; provided, however, that, if all or any portion of funds in the amounts and on the terms set forth in the Debt Commitment Letters become, or would be reasonably expected to become, unavailable to Buyer on the terms and conditions set forth therein (including any "flex" provisions related thereto) and such portion is reasonably required to fund the transactions contemplated by this Agreement and all fees, expenses and other amounts contemplated to be paid (or caused to be paid) by Buyer pursuant to this Agreement, in each case other than as a result of a breach by Sellers of any representation, warranty or covenant contained in this agreement in a manner that would cause the conditions in Section 10.1 or Section 10.2 not to be satisfied, Buyer shall use its reasonable best efforts to obtain substitute alternative financing (the "Alternative Financing") for all or such portion of such funds to the extent so unavailable, (i) in amounts and otherwise on terms and conditions no less favorable to Buyer than as set forth in the applicable Debt Commitment Letter and (ii) that does not expand upon the conditions precedent or contingencies to funding the Financing on the Closing Date as set forth in the applicable Debt Commitment Letter or Debt Financing Documents with respect to the Alternative Financing; provided, further, that, if Buyer proceeds with Alternative Financing, it shall be subject to the same obligations with respect to such Alternative Financing as set forth in this Section 8.5 as with respect to the Debt Financing. For the avoidance of doubt, references to the "Debt Commitment Letter" shall include such document as permitted or required by this Section 8.5 for such Alternative Financing from the time of such substitution.

(b) Buyer shall provide prompt written notice of (i) any material breach or default (or any event or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to give rise to any material breach or default) by Buyer under the Commitment Letters, or to the knowledge of Buyer, any other party to the Commitment Letters or definitive agreement related thereto and (ii) receipt by Buyer of any written notice or other written communication from any party to the Commitment Letters with respect to any actual or threatened material breach, default, termination or repudiation by any party to the Commitment Letters or any definitive agreement related thereto or any provision of the Financing or any definitive agreement related thereto (including any proposal by any Financing Source to withdraw, terminate, reduce the amount of financing necessary to consummate the transactions contemplated hereby or materially delay the timing of the financing contemplated by Commitment Letters). Buyer shall not consent to (i) any replacement, amendment or waiver of any provision or remedy under any Commitment

Letter (including, for the avoidance of doubt, any provision of any fee letter or engagement letter related thereto) without Sellers' prior written consent if such replacement, amendment or waiver (A) reduces the aggregate amount of the Financing (including by changing the amount of fees to be paid or original issue discount thereof, unless, in the case of the Debt Commitment Letters, any such change is matched from Alternative Financing to the extent required or permitted pursuant to Section 8.5(a)), unless such portion is not reasonably required to fund the transactions contemplated by this Agreement or (B) imposes new or additional conditions precedent or changes the conditions precedent to the Financing or otherwise changes the terms of the Financing, in each case, in a manner that would reasonably be expected to delay in any material respect or prevent the Closing or make the funding of the Financing materially less likely to occur or adversely impact in any material respect Buyer's ability to enforce its rights under any such Commitment Letter or to consummate the transactions contemplated hereby (for the avoidance of doubt, it is understood that, subject to the limitations set forth in this Section 8.5, Buyer may amend the Debt Commitment Letters to add lenders, lead arrangers, bookrunners, syndication agents or similar entities, but if and only if the addition of such additional parties, individually or in the aggregate, and together with any amendments or modifications to such Debt Commitment Letter in connection therewith, would not result in the occurrence of a modification to such Commitment Letter prohibited by this clause (i)) and (ii) termination of such Commitment Letter prior to the Closing Date (unless, in the case of the Debt Commitment Letter, Buyer has arranged for Alternative Financing to the extent permitted or required by Section 8.5(a)). Buyer shall provide to Sellers copies of any commitment letter associated with a replacement Financing or Alternative Financing as well as any amendment or waiver of any Commitment Letter. For the avoidance of doubt, references to "Commitment Letter" shall include as such Commitment Letter is modified in accordance with this Section 8.5(b) from the time of such modification.

Section 8.6 Trade Payables. The Sellers shall make all payments in respect of payables of the Business (including rent payments and sales taxes) arising from the date of this Agreement until the Closing Date in all material respects on a timely basis and shall otherwise manage the accounts payable of the business in accordance with the Sellers' cash management policies and practices (as in effect prior to the Petition Date) in the Ordinary Course of Business; provided that Seller's obligations pursuant to this Section 8.6 with respect to taxes are limited to taxes that are not Assumed Liabilities. Within fourteen (14) days following the date hereof, the Sellers shall deliver to Buyer an initial report containing an aging report for all payables of the Business allocated by vendor. For the period following the date of this Agreement until the Closing Date, Sellers shall make their employees and advisors (including the Chief Restructuring Officer) reasonably available (during business hours) upon reasonable advance notice from Buyer to answer any questions Buyer may have, and provide such additional information Buyer may reasonably request, with respect to any accrued payables of the Business.

Section 8.7 SHIP Purchase Agreement. From the date hereof until the earlier of (a) the SHIP Closing or (b) any Termination (as defined in the SHIP Purchase Agreement), Sellers shall not amend or modify the SHIP Purchase Agreement or waive any rights under the SHIP Purchase Agreement without the prior written consent of Buyer.

Section 8.8 Transition Services Agreement; Management Services Agreement.

(a) The Parties shall work together in good faith and use their respective reasonable best efforts to agree as to the terms of, and execute, a transition services agreement pursuant to which Sellers shall provide Buyer and Buyer shall provide Sellers, as applicable, with certain services for a transitional period following the Closing Date.

(b) To the extent permitted by applicable Law, during the Management Services Period, the applicable Sellers shall remain the manager, controller or operator of each Acquired Property, Occupancy Leased Premise and Sparrow Property solely to the limited extent required for any Permit applicable to such Acquired Property, Occupancy Leased Premise or Sparrow Property (in the case of the Sparrow Properties, solely to the extent of any Sellers' rights related to the Sparrow Properties) to remain effective (the "Management Services"). Notwithstanding the foregoing, to the fullest extent permitted by applicable Law, each of the Sellers hereby appoints Buyer and its Affiliated Designees as agent of such Seller to manage, control and operate each of (i) the Acquired Properties, (ii) Occupancy Leased Premises and (iii) the Sparrow Properties (in the case of the Sparrow Properties, solely to the extent of any Sellers' rights related to the Sparrow Properties) at which Management Services are being provided (collectively, the "Managed Properties"). Pursuant to their appointment as Sellers' agent, Buyer and its Affiliated Designees shall be entitled to manage, control and operate each of the Managed Properties as they see fit in their sole discretion and collect and retain all revenues generated by each Managed Property. In furtherance thereof, the Parties acknowledge and agree that Sellers shall have no economic interest in the Managed Properties other than the right to receive the Management Services Reimbursements. As consideration for the provision of the Management Services, Buyer shall reimburse Sellers, or cause Sellers to be reimbursed, for any reasonable and documented out-of-pocket costs, fees and expenses incurred at any time in providing the Management Services, including any income and other taxes incurred by Seller and its Subsidiaries in respect of the payment and receipt of such reimbursement (the "Management Services Reimbursements") and indemnify the Sellers from any Liability arising from the provision of the Management Services, except for any such Liability arising from gross negligence or willful misconduct of the Sellers. For the avoidance of doubt, all employees of the Managed Properties shall be employed by Buyer or its Affiliated Designee and no Seller shall have any authority to take action as an employer with respect to any such employee or to enter into any Contract on behalf of Buyer or any Affiliated Designee.

Section 8.9 Sparrow Rent. Sellers shall pay on the Closing Date all accrued and unpaid rent to each of SRC O.P. LLC, SRC Facilities LLC and SRC Real Estate (TX), LLC that are not "dark" stores. All parties' rights with respect to rent at the "dark" stores shall be reserved.

ARTICLE IX

ADDITIONAL AGREEMENTS

Section 9.1 Access to Information. Sellers agree that, prior to the Closing Date, Buyer shall be entitled, through its officers, employees and representatives (including legal advisors, Financing Sources, consultants, appraisers and accountants), to make such investigation of the properties (including non-invasive environmental site assessments), businesses and operations of Sellers' businesses (including any of the Properties) and such examination of the Books and Records of Sellers' businesses, the Acquired Assets and the Assumed Liabilities as is reasonable

(and reasonably requested) and to make extracts and copies of such Books and Records. Any such investigation and examination shall be conducted in a reasonable manner (and shall not unreasonably interfere with the operations of Sellers), during regular business hours upon reasonable advance notice and under reasonable circumstances and shall be subject to any applicable restrictions under applicable Law. Sellers shall cause the officers, employees, consultants, agents, accountants, attorneys and other representatives of Sellers to reasonably cooperate with Buyer and Buyer's representatives in connection with such investigation and examination, and Buyer and Buyer's representatives shall reasonably cooperate with Sellers and Sellers' representatives and Buyer and Buyer's representatives shall, at all times and at the discretion of Sellers, take all reasonable measures to minimize any disruption to Sellers' business. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would (x) require any Seller to disclose information subject to attorney-client privilege, provided that Sellers shall use reasonable best efforts to provide information in response to such an investigation or examination in a form or manner that would not waive such attorney-client privilege (including by redacting or otherwise not disclosing any portion thereof the disclosure of which would jeopardize such privilege) or (y) conflict with any confidentiality obligations to which the Sellers or any of their Subsidiaries are bound.

Section 9.2 Tax-Related Undertakings and Characterization of the Transaction.

(a) Unless Buyer makes the election under Section 2.12(b) to treat all the transactions described in Article II as Designated Sale Transactions (resulting in no transfer of Sellers' Tax attributes to Buyer): (1) Buyer shall provide to Sellers detailed instructions as to steps to take (or not take) in order to secure and preserve the qualification of any of the transactions set forth in this Agreement as a Tax Reorganization (except if and to the extent Buyer determines otherwise, in accordance with Section 2.12(b), in respect of a given transaction or a particular Seller) and to achieve the Tax Result, including, without limitation, with respect to (i) repayment, cancellation or settlement of, or other actions with respect to, intercompany accounts after the approval of the Bankruptcy Plan and on or before the Closing Date, (ii) the merger of any of Sellers' Subsidiaries with another Sellers' Subsidiaries after the approval of the Bankruptcy Plan and on or before the Closing Date or conversion of any of Sellers' Subsidiaries into limited liability companies with effect after the approval of the Bankruptcy Plan and on or before the Closing Date, (iii) the filing of any Tax elections to treat any such Subsidiaries as disregarded entities for U.S. federal income tax purposes with effect after the approval of the Bankruptcy Plan and on or before the Closing Date or otherwise taking such action to establish that such Subsidiaries have liquidated for tax purposes after the approval of the Bankruptcy Plan and on or before the Closing Date, (iv) implementation of the Distribution Requirement in a manner that is consistent with section 507 of the Bankruptcy Code, (v) satisfaction of the ownership requirements set forth in section 382(l)(5)(A)(ii) of the Code, and (vi) any other instructions that in the reasonable opinion of tax counsel for Buyer are necessary or desirable to ensure the qualification of the Tax Reorganization and the achievement of the Tax Result, and Sellers shall follow such instructions; provided that (A) such instructions shall not limit Sellers' discretion or actions in respect of (x) operating the Business and its other Assets in the Ordinary Course of Business and in compliance with the other provisions of this Agreement for all periods through the Closing Date, (y) disposing of any of its Assets if and to the extent permitted under the other provisions of this Agreement (z) taking or refraining from taking any action required by this Agreement or under the law, including if such

actions would be inconsistent with its obligations under the Bankruptcy Code, (B) if requested by Sellers, Buyer's tax counsel shall deliver to Sellers a Tax Opinion that each and any such transaction (other than any Designated Sale Transactions) qualifies as a Tax Reorganization, and (C) nothing herein shall affect Buyer's liability for Taxes that are Assumed Liabilities; (2) subject to the preceding clause (1), Sellers agree to cooperate with Buyer in order that, for federal income Tax purposes, the transactions effected pursuant to this Agreement, together with the distributions made by, and liquidation of, Sellers pursuant to the Bankruptcy Plan, are treated as one or more plans of reorganization under section 368 of the Code and as qualifying as one or more reorganizations under section 368(a)(1)(G) of the Code (except if and to the extent Buyer determines otherwise, in accordance with Section 2.12(b), in respect of a given transaction or a particular Seller); and (3) any Tax Return in respect of a Tax imposed on any Seller for which Buyer is liable hereunder shall be prepared by Buyer, a copy of such Tax Return shall be provided to SHC at least thirty (30) days prior to the due date thereof, Buyer shall consider in good faith any reasonable comments provided by Sellers, Sellers shall, if necessary for filing, properly execute any such Tax Return, and Buyer shall timely and properly file any such Tax Return and pay the amount of any Taxes shown due on any such Tax Return.

(b) Sellers agree that (i) Buyer will suffer irreparable damage and harm in the event that any Seller does not comply with Section 9.2(a) or any instructions properly given by Buyer thereunder and that, although monetary damages may be available for such a breach, monetary damages would be an inadequate remedy therefor and (ii) Buyer shall be entitled to an injunction or injunctions against any non-compliance with, and to seek specific performance of, the agreements and covenants set forth in Section 9.2(a) and any instructions properly given by Buyer thereunder.

(c) Buyer (or its regarded owner for U.S. federal income Tax purposes, if applicable) shall make (if not previously made) a valid election, effective on or prior to the Closing Date, to be classified as an association taxable as a corporation for U.S. federal income Tax purposes (unless one or more Affiliated Designees shall acquire all of the Acquired Assets and assume all of the Assumed Liabilities). Buyer shall cause any Affiliated Designee (or its regarded owner for U.S. federal income Tax purposes, if applicable) to be classified as a corporation or an association taxable as a corporation for U.S. federal income Tax purposes at all times during the period beginning on the Closing Date and ending on the effective date of the Bankruptcy Plan.

(d) For purposes of this Agreement, (x) Taxes (other than Property Taxes) imposed on or with respect to any the Acquired Assets, the Acquired Properties, the Business or the Assumed Liabilities with respect to a taxable period that commences on or prior to and ends after the Closing Date or the applicable Designation Assignment Date, as applicable (a "Straddle Period"), shall be allocated to the Pre-Assignment Tax Period based on a "closing of the books" method as of the end of the Closing Date or the applicable Designation Assignment Date, as applicable, and (y) Property Taxes for a Straddle Period shall be allocated to the Pre-Assignment Tax Period by multiplying the amount of such Property Taxes for the entire Straddle Period by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Assignment Tax Period and the denominator of which is the number of days in the entire Straddle Period.

(e) Notwithstanding anything to the contrary contained herein, from and after the Closing the Buyer will indemnify and hold each Seller (and its Affiliates) harmless from and

against, and pay to such Seller (without duplication) the amount of any Taxes that are Assumed Liabilities.

Section 9.3 Miscellaneous Tax Matters.

(a) Any sales, use, property transfer or gains, documentary, stamp, registration, recording or similar Tax (including, for certainty, goods and services tax, harmonized sales tax and land transfer tax) imposed on or payable in connection with the sale, transfer, assignment, conveyance or delivery of the Designation Rights, the Acquired Assets or the Assumed Liabilities (or any Excluded Asset pursuant to Section 2.8(d)) ("Transfer Taxes") shall be borne solely by Buyer. Sellers and Buyer shall use reasonable efforts and cooperate in good faith in all matters relating to such Transfer Taxes (including with respect to the application of any exemption therefrom or reduction thereof). Buyer shall prepare and, except to the extent required by applicable Law to be filed by Sellers, Buyer shall file all necessary Tax Returns or other documents with respect to all such Transfer Taxes; provided, however, that in the event any such Tax Return requires execution by the other Party, the preparing Party shall prepare and deliver to the other Party a copy of such Tax Return at least three (3) Business Days before the due date thereof, and such other Party shall promptly execute such Tax Return and return it for filing. If Seller is required to file any such Tax Return, no later than three (3) Business Days before the due date of such Tax Return Buyer shall pay to Sellers the amount of Transfer Taxes shown on such Tax Return. Subject to the other provisions of this Agreement, the Parties shall reasonably cooperate with each other in any reasonable and lawful arrangement designed to minimize any applicable Transfer Taxes.

(b) Buyer and Sellers agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Acquired Assets, the Properties, the Business or the Assumed Liabilities as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, and the preparation, prosecution or defense of or for any Tax Proceeding. Unless Buyer makes the election under Section 2.12(b) to treat all the transactions described in Article II as Designated Sale Transactions (resulting in no transfer of Sellers Tax attributes to Buyer), to the extent not addressed by the foregoing, Buyer and Sellers shall also furnish or cause to be furnished to each other all documentation and information of Sellers' or any of their Affiliates as reasonably requested in connection with (i) the treatment of the Transactions as one or more reorganizations under section 368 of the Code and/or in connection with qualifying for the application of section 382(l)(5) of the Code and (ii) the Tax basis, losses and credits (including carryovers), income, gains, deductions and other attributes or Tax items of Buyer or an Assignee that are dependent in whole or in part by the treatment of any such Tax item in any Pre-Assignment Tax Period. Any out-of-pocket expenses incurred in furnishing such information or assistance pursuant to this Section 9.3(b) shall be borne by the Party requesting it. Furthermore, except for any refund, asset or amount described in Section 2.2(h), Sellers shall pay (or cause to be paid) to Buyer any Tax refund actually received by Sellers or any Affiliate of Sellers that is an Acquired Asset, and any such refunds credited against future Taxes of the Sellers or their Subsidiaries (including any interest paid thereon and net of any reasonable out-of-pocket costs and any Taxes incurred in respect of the receipt thereof). Upon Buyer's reasonable request and at Buyer's sole cost and expense, Sellers shall (A) file (or cause to be filed) all Tax Returns (including amended Tax Returns) or other documents required to obtain such refunds and (B) take any such other action as may be reasonable and practicable to

preserve Sellers' ability to file a refund claim for any Tax year. Any payments required to be made under this Section 9.3(b) shall be made in immediately available funds, to an account or accounts as directed by Buyer, within ten (10) days after the actual receipt of the refund or the application of any such refunds as a credit against a future tax of Sellers or any Affiliate of Sellers.

(c) Buyer shall pay (or cause to be paid) to Sellers any Tax refund, asset or amount described in Section 2.2(h) that is actually received by any Subsidiary of any Seller that is an Acquired Asset, Buyer or any Affiliate of Buyer, and any such refunds or amount credited against future Taxes to which any Subsidiary of any Seller that is an Acquired Asset, Buyer or any Affiliate of Buyer become entitled (including any interest paid thereon and net of any reasonable out-of-pocket costs and any Taxes incurred in respect of the receipt thereof). Upon Sellers' reasonable request and at Sellers' sole cost and expense, Buyer shall (A) file (or cause to be filed) all Tax Returns (including amended Tax Returns) or other documents required to obtain such refunds and (B) take any such other action as may be reasonable and practicable to preserve Buyer's ability to file a refund claim for any Tax year. Any payments required to be made under this Section 9.3(c) shall be made in immediately available funds, to an account or accounts as directed by Sellers, within ten (10) days after the actual receipt of the refund or the application of any such refunds as a credit against a future tax of any Subsidiary of any Seller that is an Acquired Asset, Buyer or any Affiliate of Buyer.

(d) As soon as practicable (and in any event within ninety (90) days) after the Closing Date, Buyer shall deliver to Sellers a schedule allocating the Purchase Price (including any Assumed Liabilities treated as consideration for the Acquired Assets for Tax purposes) (the "Allocation Schedule"). The Allocation Schedule shall allocate the Purchase Price among the Sellers and among the Acquired Assets acquired from each Seller, and shall be prepared in accordance with Section 1060 of the Code if Buyer makes the election under Section 2.12(b) to treat all the transactions described in Article II as Designated Sale Transactions (resulting in no transfer of Sellers' Tax attributes to Buyer), and in any case shall be prepared in accordance with applicable law to the extent necessary to comply with reporting in respect of applicable Transfer Taxes. The Allocation Schedule shall be deemed final unless Sellers notify Buyer in writing that Sellers object to one or more items reflected in the Allocation Schedule within forty-five (45) days after delivery of the Allocation Schedule. In the event of any such objection, Buyer and Sellers shall negotiate in good faith to resolve such dispute; provided, however, that if Buyer and Sellers are unable to resolve any dispute with respect to the Allocation Schedule within sixty (60) days after the delivery of the Allocation Schedule, such dispute shall be resolved by the CPA Firm. The fees and expenses of the CPA Firm in connection therewith shall be borne equally by Buyer and Sellers. Each of Buyer and Sellers agrees to file its respective federal, state and local Tax returns in accordance with the Allocation Schedule, and any adjustments to the Purchase Price pursuant to this Section 9.3 shall be allocated in a manner consistent with the Allocation Schedule. For the avoidance of doubt, the Parties shall cooperate in determining the portion of the Purchase Price allocable to the Acquired Assets that are subject to a Transfer Tax prior to the due date of the Tax Return required to be filed in connection with such Transfer Taxes; provided, that if the parties do not agree with respect to such determination, such matter shall be resolved in accordance with the determination of the CPA Firm; provided further, that such Tax Return will be adjusted, as applicable, consistent with the procedures described above, to reflect any adjustments to the allocated Purchase Price.

Section 9.4 Payments Received. Sellers, on the one hand, and Buyer, on the other hand, each agree that, after the Closing, each will hold and will promptly transfer and deliver to the other, from time to time as and when received by them, any cash, checks with appropriate endorsements (using their best efforts not to convert such checks into cash) or other property that they may receive on or after the Closing which properly belongs to the other in accordance with the terms of this Agreement and will account to the other for all such receipts.

Section 9.5 Post-Closing Books and Records and Personnel. For twelve (12) months after the end of the Designation Rights Period, (a) neither Buyer nor any Seller shall dispose of or destroy any of the business records and files of the Properties or relating to any Acquired Assets and (b) Buyer and Sellers (including, for clarity, any trust established under a chapter 11 plan of Sellers or any other successors of Sellers) shall allow each other, any applicable Assignee and the Representatives of any of the foregoing reasonable access during normal business hours, and upon reasonable advance notice and to the extent permitted by applicable Law, to all employees, files, the Books and Records and other materials included in the Potential Acquired Assets for purposes relating to the Bankruptcy Case, the wind-down of the operations of Sellers, the functions of any such trusts or successors, or other reasonable business purposes, including Tax matters, litigation, or potential litigation, each as it relates to the Potential Acquired Assets or the Assumed Liabilities, and Buyer and Sellers (including any such trust or successors) and such Representatives shall have the right to make copies of any such files, books, records and other materials. In addition, from and after the Closing Date or the applicable Designation Assignment Date for a period of sixty (60) days, Sellers will permit Buyer, any applicable Assignee and their respective Representatives access to such personnel of Sellers during normal business hours as Buyer or any applicable Assignee may reasonably request to assist with the transfer of the applicable Acquired Assets (including any related Assigned Plans and Permits), provided that nothing in this Section 9.5 shall prohibit Sellers from ceasing operations or winding up their affairs following the end of the Designation Rights Period. Following the end of the Designation Rights Period, nothing in the foregoing shall be construed to prevent Sellers from winding down their operations and dissolving their business entities as is determined by Sellers (in their sole discretion) to be in their best interests.

Section 9.6 Confidentiality.

(a) The terms of the Confidentiality Agreement shall continue in full force and effect until the Closing, at which time Buyer's and Seller's obligations under the Confidentiality Agreement shall terminate.

(b) The Parties shall (i) treat and hold as confidential all Confidential Information of the other Parties and their Affiliates (which, as such term is used in this Section 9.6(b) shall mean the information provided to the receiving Party by or on behalf of a disclosing Party in connection with this Agreement and the other Transaction Documents and the Transactions) and (ii) not disclose any such Confidential Information a disclosing Party to any other Person without the prior written consent of such disclosing Party, in each case for so long as such information remains Confidential Information. In the event any receiving Party is requested or required (by oral or written request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand or similar process or by applicable Law) to disclose any Confidential Information of a disclosing Party provided in accordance with this Section 9.6(b), then such

receiving Party shall, to the extent legally permitted, notify the disclosing Party promptly of the request or requirement so the disclosing Party, at its expense, may seek an appropriate protective Order or waive compliance with this Section 9.6(b). If, in the absence of a protective Order or receipt of a waiver hereunder, the receiving Party is, on the advice of counsel, compelled to disclose such Confidential Information, the applicable receiving Party may so disclose such Confidential Information; provided that the applicable receiving Party shall use commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to such Confidential Information. Notwithstanding the foregoing, the provisions of this Section 9.6(b) shall not prohibit the disclosure of Confidential Information by the receiving Party to the extent reasonably required (i) to comply with applicable Law or any regulatory authority or self-regulatory organization having jurisdiction or of which a Party is a member, (ii) in connection with asserting any rights or remedies or performing any obligations under this Agreement or any of the Transaction Documents or (iii) to such Party's Affiliates and Representatives. Notwithstanding the foregoing, the provisions of this Section 9.6(b) shall not apply to information that (A) is or becomes publicly available other than as a result of a disclosure by any receiving Party in violation of this Agreement, (B) is or becomes available to a receiving Party on a non-confidential basis from a source that, to the receiving Party's knowledge, is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation, or (C) is or has been independently developed by a receiving Party. For the avoidance of doubt, following the Closing, all Confidential Information relating to the Business, the Acquired Assets or the Assumed Liabilities shall be deemed to be Confidential Information of Buyer.

Section 9.7 Employment Offers.

(a) Buyer shall make an offer of employment to any Business Employee represented by a labor union and whose terms and conditions of employment are covered by a collective bargaining agreement ("Represented Employees") using reasonable best efforts to comply with the requirements of any such collective bargaining agreement. For any Business Employee not represented by a labor union ("Non-Represented Employees"), Buyer shall, or shall cause any of its Subsidiaries to, (i) no later than five (5) days prior to the Closing Date, use reasonable best efforts to provide a written offer of employment in a comparable position to, effective as of 11:59 p.m., local time, on the Closing Date each of such Business Employees, or (ii) to the extent required by and in accordance with applicable Law, enter into employment agreements with each of such Business Employees. Those Business Employees, including both Represented Employees and Non-Represented Employees, who accept such offer of employment on or before the Closing Date in accordance with the provisions of such offer and continue employment with Buyer or any of its Subsidiaries, shall be referred to as "Transferred Employees."

(b) Subject to the last sentence of this Section 9.7(b) and except as otherwise expressly provided in this Section 9.7(b), with respect to each Transferred Employee who remains employed by Buyer or any of its Subsidiaries, Buyer shall, or shall cause any of its Subsidiaries to, provide for the period commencing on the Closing Date and ending on the last day of the Sellers' fiscal year ending in 2020, subject to such Transferred Employee's continued employment with Buyer or any of its Subsidiaries (as applicable) (i) (A) base salary or hourly wage rate and (B) a target short-term cash incentive opportunity, in each of (A) and (B), that is at least equal to the base salary or wages and target short-term cash incentive opportunity, respectively, provided to such

Transferred Employee immediately prior to the Closing Date and (ii) a group health and welfare plan and, subject to and in accordance with Section 9.7(k), a 401(k) plan, qualified under Sections 401(a) and 401(k) of the Code (“401(k) Plan”), that are substantially comparable in the aggregate to the group health and welfare plan and 401(k) Plan under which such Transferred Employee participates as of the date hereof. For the avoidance of doubt, (x) the terms of this Section 9.7(b) shall apply notwithstanding anything to the contrary in any non-solicitation or similar agreement currently entered into by Buyer or any of its Affiliates and Sellers and (y) from and after the date hereof, no such non-solicitation or similar agreement by Buyer and any Seller or any affiliate thereof entered into prior to the date hereof shall prevent Buyer from hiring (or seeking to hire) any employee of Sellers. The Parties agree to cooperate in good faith to coordinate the establishment of benefit plans and arrangements so as to satisfy the obligations set forth in this Section 9.7(b)(ii).

(c) Except as otherwise provided under the terms of the applicable Employee Plan, each Transferred Employee shall be given credit for all service with Sellers under all employee benefit plans, programs and policies and fringe benefits of the Business or Buyer or any of its Subsidiaries in which they become participants (i) for purposes of eligibility, participation, and vesting (but not benefit accruals), and (ii) with respect to any vacation and severance plans, programs or arrangements of Buyer or its Subsidiaries, for purposes of determining the level of benefits except to the extent such crediting would result in duplication of benefits with respect to the same period of service.

(d) If a Transferred Employee becomes eligible to participate in a medical, dental or health plan of Buyer (or its Subsidiaries), Buyer shall, or shall cause its Subsidiaries to, to the extent permitted by (x) applicable Law and (y) the terms of the applicable medical, dental or health plan of Buyer or any of its Subsidiaries in which the Transferred Employee participates following the Closing, cause the plan provider of such plan to (i) waive any preexisting condition limitations to the extent such pre-existing condition limitations would not have been applicable under the applicable medical, dental or health plans of Sellers as of immediately prior to the Closing Date and (ii) credit any complete or partial satisfaction of any deductible and out-of-pocket expenses incurred by the Transferred Employee and his or her dependents under the applicable Seller’s or its Subsidiaries’ medical, dental or health plans during the portion of the calendar year in which the Closing Date occurs. Buyer agrees to use commercially reasonable efforts to cause a medical, dental and health plan provider to provide such waivers and credits contemplated by the first (1st) sentence of this Section 9.7(d). If a Transferred Employee becomes eligible to participate in a group term life insurance plan maintained by Buyer or its Subsidiaries, Buyer shall use commercially reasonable efforts to cause such plan to waive any medical certification for such Transferred Employee up to the amount of coverage the Transferred Employee had under the life insurance plan of Sellers (but subject to any limits on the maximum amount of coverage under Buyer’s life insurance plan).

(e) Except as required by Law or an applicable bargaining agreement or as otherwise agreed in writing by the Parties, Buyer or any of its Subsidiaries shall provide severance and other separation benefits to each Transferred Employee terminated by Buyer or any of its Subsidiaries within the period commencing on the Closing Date and ending on the last day of the Sellers’ fiscal year ending in 2020 that are at least equal to the severance and other separation benefits provided

by Seller and its Subsidiaries to such Transferred Employee as in effect immediately prior to the Petition Date, it being understood that such severance and other separation benefits do not include any long-term incentive, equity incentive, defined benefit pension or retiree welfare or life insurance benefits.

(f) Except as prohibited by applicable Law, each offer letter shall provide that by accepting employment with Buyer the Business Employee is acknowledging that Buyer is assuming, and Buyer shall assume all vacation days and other paid time off accrued but not yet taken by each Transferred Employee through the Closing Date, in accordance with their terms as of the date hereof. To the extent that applicable Law prohibits a Transferred Employee's vacation from being assumed by Buyer and requires that a Transferred Employee to be paid for any vacation days and other paid time off accrued but not yet taken by such Transferred Employee as of the Closing Date without regard to any acknowledgement by such Transferred Employee to the contrary, Sellers shall pay each Transferred Employee for such vacation days.

(g) Sellers agree to pay to the Transferred Employees any bonus (including any related payroll Taxes) that such Transferred Employees would have been paid had they remained employees of Sellers through the date the bonus in respect of the fiscal year ending February 2, 2019.

(h) Buyer and Seller agree to cooperate in good faith to ensure that Transferred Employees do not experience a break in health coverage from and after the Closing Date. Buyer shall take commercially reasonable efforts to provide or make available the health coverage required by Section 4980B of the Code available with respect to any individual who is an "M&A Qualified Beneficiary" (as defined in Treasury Regulation Section 54.49806-9 (Q&A 4) of the Code) as the result of the consummation of the Transactions.

(i) From and after the Closing Date, subject in all respects to the limitations set forth in Section 2.3(k), Buyer shall, within thirty (30) days following written demand by the Seller, with such supporting documentation as the Buyer shall reasonably request, reimburse the Sellers for the payment of any cash severance or other cash separation pay, and Seller's portion of any related employment and payroll Taxes, made by any Seller to any employee of any Seller whose employment with any of the Sellers terminated following the Petition Date or terminates on, or following the Closing Date (it being understood that this does not include any Transferred Employees who shall have become the employees of Buyer and its Subsidiaries and shall be covered by Buyer's obligations as set forth in Section 9.7(b)), to the extent of the cash severance or other cash separation pay that has been paid on or following the Petition Date and prior to the Closing Date or would have been due and payable had such employee's employment been terminated by any of the Sellers immediately prior to the date hereof (the reimbursement Liabilities of Buyer set forth in this Section 9.7(i), including with respect to any related employment and payroll Taxes, the "Severance Reimbursement Obligations").

(j) Sellers shall retain liability for all medical, dental and health claims incurred by Transferred Employees (and their dependents) under the employee welfare benefit plans of Sellers prior to the Closing. Buyer shall be liable for all medical, dental and health claims incurred by Transferred Employees (and their dependents) under the employee welfare benefit plans of Buyer or any of its Subsidiaries on or after the Closing. For purposes of this Section 9.7(j), a claim shall

be deemed to have been incurred on the date on which the medical or other treatment or service was rendered and not the date of the inception of the related illness or injury or the date of submission of a claim related thereto; provided, that claims relating to a hospital confinement that begins on or before the Closing but continues thereafter shall be treated as incurred before the Closing. Notwithstanding anything herein to the contrary, with respect to any Business Employee who becomes a Transferred Employee following the Closing, any reference in this Section 9.7(j) to the Closing will be deemed to be references to the date such Business Employee becomes a Transferred Employee.

(k) U.S. Savings Plan.

(i) As soon as practicable following the Closing Date, Buyer shall, or shall cause its Subsidiaries to, establish a new savings plan or designate an existing savings plan qualified under Section 401(a) of the Code and including a cash or deferred feature under Section 401(k) of the Code and a related trust thereunder which shall be exempt under Section 501(a) of the Code (“Buyer’s Savings Plan”) that will permit participation by all Transferred Employees who are participating in Seller’s or its Subsidiaries’ 401(k) Plan (“Seller’s Savings Plan”) as of the Closing Date.

(ii) No assets or liabilities of Seller’s Savings Plan shall be transferred to Buyer’s Savings Plan, other than in connection with a rollover of a Transferred Employee’s account balance under Seller’s Savings Plan. Except as could reasonably be expected to cause the Buyer’s Savings Plan to cease to qualify under Section 401(a) and 401(k) of the Code or cause the trust to cease to be qualified under Section 501(a) of the code or otherwise result in the Buyer or its Affiliates incurring any penalties thereunder, Buyer shall permit the Transferred Employees to roll over into Buyer’s Savings Plan any rollover distribution (in cash or loan notes of any “eligible rollover distribution” (within the meaning of Section 402(c)(4) of the Code)). Effective as of the Closing, Seller shall and shall cause its Subsidiaries to take any action necessary to ensure that the accounts of each Transferred Employee in Seller’s Savings Plan shall be fully vested and nonforfeitable.

(l) The Parties acknowledge and agree that all provisions contained in this Section 9.7 are included for the sole benefit of the respective Parties and shall not create any right (i) in any other person, including any Business Employees, Transferred Employees, current or former employees of Seller, any participant in any Employee Plan or any compensation or benefit plan, program, agreement or arrangement of Buyer or its Subsidiaries or any beneficiary thereof or (ii) in any other person, to continued employment with Buyer or its Subsidiaries or particular compensation or benefits coverage in any compensation or benefit plan, program, agreement or arrangement of Buyer or its Subsidiaries. The provisions of this Section 9.7 shall not constitute an amendment to any Employee Plan or any plan, program, agreement or arrangement maintained by Buyer or any of its Subsidiaries.

(m) Sellers and Buyer hereby agree to follow the “alternate procedure” for employment tax reporting as provided in Section 5 of Rev. Proc. 2004-53, 2004-34 I.R.B. 320 for each Transferred Employee and to cooperate with each other in furtherance thereof. Provided that Sellers provide Buyer with all necessary payroll records for the calendar year which includes the date on which the Transferred Employee commences employment with Buyer, Buyer, and not

Sellers, shall furnish a Form W-2 to each Transferred Employee, disclosing all wages and other compensation paid for such calendar year, and taxes withheld therefrom.

Section 9.8 Owned Real Property.

(a) Seller shall pay when due any and all Occupancy Expenses with respect to each Owned Real Property solely to the extent arising during the period commencing on the Petition Date through the Closing Date.

(b) From the date hereof through the Closing Date, Seller shall use commercially reasonable efforts to maintain and preserve each Owned Real Property and all related Acquired Assets in a condition substantially similar to the their present condition. Prior to Closing, Seller shall not without Buyer's consent, and shall not solicit any other Person to, (A) sell, transfer, assign, convey, lease, license, mortgage, pledge or otherwise encumber any Owned Real Property or related Acquired Asset (other than sales of Inventory in accordance with the terms of this Agreement, Permitted Encumbrances and any applicable statutory liens (solely to the extent that such Owned Real Property or related Acquired Asset will be transferred free and clear of such statutory liens pursuant to the applicable transfer document)), (B) grant or terminate any other interests in any Owned Real Property or related Acquired Asset, (C) cancel or compromise any claim or waive or release any right, in each case that is related to any Owned Real Property or any related Acquired Assets (for the avoidance of doubt, other than any Excluded Assets), (D) take any action with respect to Taxes or Tax matters that could reasonably be expected to result in an Encumbrance on any Owned Real Property or related Acquired Assets (other than Permitted Encumbrances) or (E) enter into any agreement or commitment to take any action prohibited by this Section 9.8(b).

(c) From and after the date hereof through Closing, Sellers shall bear the risk of loss or damage to the Owned Real Property and Seller shall continue all insurance policies with respect to the Owned Real Property or policies providing substantially similar coverages to the extent available at commercially reasonable rates (and in all instances without any reductions in the amounts of available coverage), including comprehensive public liability, casualty and umbrella liability insurance, and shall cause Buyer to be named as a loss payee or additional insured, as applicable, with respect to all such policies. Seller shall pay to Buyer on the Closing Date all insurance recoveries and all warranty and condemnation proceeds received or receivable after the date hereof with respect to the Owned Real Property. In connection with any payment of recoveries or proceeds under this Section 9.8(c), (i) such payment of recoveries or proceeds shall not include any recoveries or proceeds to the extent attributable to lost rents or similar costs applicable to any period prior to the Closing or paid in connection with repair, restoration or replacement during such period, and (ii) to the extent that Buyer has received written notice thereof in reasonable detail not less than fifteen (15) days prior to the Closing, such payment of recoveries or proceeds shall be reduced by the amount of (x) all actual and documented, reasonable out of pocket repair costs incurred by Sellers in connection with the repair or restoration of such damage or destruction, (y) all actual and documented, reasonable out of pocket collection costs of Sellers respecting any awards or other proceeds, and (z) any amounts required to be paid (and solely to the extent actually paid) by Sellers or the insurance company to the applicable landlord under the Lease, if applicable, or to such landlord's lender as required pursuant to any of such lender's financing, as applicable.

Section 9.9 Title Matters. Buyer, at its own discretion and sole expense, may order preliminary title reports from a nationally recognized title company (the “Title Company”) with respect to any of the Leased Premises or Owned Real Property (the property covered by such reports being referred to herein as the “Titled Property”). Seller shall at no cost, expense or Liability to Seller, cooperate in good faith with Buyer and the Title Company in connection with the compilation of title to the Titled Property and in connection with any efforts by Buyer to obtain title insurance policies pursuant thereto on behalf of itself and/or its lender, including, in the case of any efforts by Buyer to obtain lender’s title insurance policies on behalf of its lender, by providing reasonable affidavits and other similar instruments as are reasonably required by the Title Company for the deletion of any standard or printed exceptions in such lender’s title insurance policies that are customarily deleted by virtue of a seller delivering such instruments in commercial real estate transactions in the state or province in which the Titled Property which is the subject of such lender’s title insurance policy is located. Subject to the foregoing proviso, such cooperation by Seller and its Subsidiaries shall include providing Buyer and the Title Company copies of, with respect to Titled Property, reasonably requested existing surveys, maps, existing title reports and title insurance policies and true and complete copies of the encumbrance documents identified therein, to the extent the same are in the possession of Seller or its Subsidiaries and are not publicly available.

Section 9.10 Use of Name. Sellers agree that they shall (i) as soon as practicable after the Closing Date and in any event within six (6) months following the Closing Date, cease to make use of the Trademarks included in the Acquired Intellectual Property and change the Business Names of all of their applicable Affiliates to a Business Name that does not consist of, contain or incorporate any Trademarks included in the Acquired Intellectual Property, provided that as soon as practicable after the Closing Date and in any event within thirty (30) days following the Closing Date, Sellers shall cease to make use of the Trademarks included in the Acquired Intellectual Property in connection with the Business and (ii) as promptly as practicable after the Closing Date, file a motion with the Bankruptcy Court to amend the caption of the Bankruptcy Cases to reflect a change in the name of the Sellers in accordance with the foregoing clause (i) and (ii) immediately after the Closing, cease to hold themselves out as having any affiliation with the Acquired Assets. Sellers shall promptly deliver to Buyer any relevant documentation evidencing such name change, including any name change amendment and name change notice filed with or submitted to any Governmental Authority in each jurisdiction in which such Seller or Affiliates of Seller is qualified to do business. Nothing in this Section 9.10 shall prohibit Sellers’ use of such Trademarks to the extent that such use (a) is required by Law to wind down Sellers’ estate or (b) constitutes nominative or descriptive fair use under United States Laws, which refers to Sellers and would not cause confusion as to the origin of a good or service, including in accurately stating the historical relationship between Sellers and Buyer for information purposes (and in a non-Trademark manner) in historical, tax and similar records.

Section 9.11 Apportionments. All charges and fees payable for telephone services, water, sewer rents heat, steam, electric power, gas and other utilities, at the price charged by the suppliers, including any taxes thereon and based upon applicable meter readings, where available, made on or immediately prior to or immediately after the Closing Date (and credits therefor to the extent paid prior to the Closing Date) that relate to Owned Real Property shall be apportioned

between Sellers, on the one hand, and Buyer, on the other hand, as of midnight on the Closing Date for the period that begins prior to the Closing Date and ends after the Closing Date.

Section 9.12 Intercompany IP Agreement; Sublicenses. As of the Closing Date, all Intercompany IP Agreements and all sublicenses to any Person thereunder, in each case that are not assigned to Buyer or assumed and assigned in accordance with this Agreement, shall be, and are hereby, automatically terminated. Sellers shall take all necessary actions to cause such licenses, grants or sublicenses that are not terminated by virtue of the foregoing sentence to be terminated at the Closing Date. The foregoing provision shall not affect any sublicenses under which neither any Seller nor any Affiliate of any Seller is the sublicensee, unless such sublicense is terminable without cause by a Seller pursuant to its terms.

Section 9.13 Settlement and Release.

(a) Effective upon the Closing, in exchange for the payment by Buyer of the Credit Bid Release Consideration and other good and valuable consideration provided to the Debtors and their estates by ESL in connection with the Transactions, each Debtor, for itself and its estate, and on behalf of each of its Subsidiaries and controlled Affiliates (each of the foregoing, a “Seller Releasing Party”), hereby absolutely, unconditionally and irrevocably (i) releases and forever discharges ESL from any and all Released Estate Claims, whether foreseen or unforeseen, contingent or actual, and whether now known or hereafter discovered, which any of the Seller Releasing Parties ever had or now may have, and (ii) covenants that it shall not seek to disallow, subordinate, recharacterize, avoid, challenge, dispute or collaterally attack the ESL Claims, provided however that the assertion of any Claim other than a Released Estate Claim shall not be deemed to violate this Section 9.13(a)(ii).

(b) Effective upon the Closing, ESL’s Claims against the Debtors arising under (i) the IP/Ground Lease Term Loan Facility; (ii) the FILO Facility; (iii) the Real Estate Loan 2020; (iv) the Second Lien Term Loan; (v) the Second Lien Line of Credit Facility; (vi) the Second Lien PIK Notes and (vii) the Citi L/C Facility (together with the any security interests securing any of the Claims described in the preceding sub-clauses (c)(i)-(vi), collectively, the “ESL Claims”) shall each be deemed allowed for all purposes in the Bankruptcy Cases and under the Bankruptcy Code in the amounts set forth on Exhibit G, as reduced by the credit bid set forth in Section 3.1(b).

(c) After giving effect to the credit bid set forth in Section 3.1(b), ESL shall be entitled to assert any deficiency Claims, Claims arising under Section 507(b) of the Bankruptcy Code, or other Claims and causes of action that it may have against the Debtors and their estates in the Chapter 11 Cases, provided that (i) no Claims or causes of action of ESL shall have recourse to, or any other right of recovery from, any Claims or causes of action of the Debtors or their estates related to Lands’ End, Inc., the “spin-off” (as such term is defined in the Information Statement of Lands’ End, Inc. dated March 18, 2014), Seritage Growth Properties, Inc., Seritage Growth Properties, L.P, the “Transaction” (as that term is defined in the registration statement on Form S-11 filed by Seritage Growth Properties, which registration statement became effective on June 9, 2015), any Claim or cause of action involving any intentional misconduct by ESL, or the proceeds of any of the foregoing, (ii) any ESL Claims arising under Section 507(b) of the Bankruptcy Code shall be entitled to distributions of not more than \$50 million from the proceeds of any Claims or causes of action of the Debtors or their estates other than the Claims and causes of action described

in the preceding clause (c)(i); provided that, in the event that, in the absence of this clause (c)(ii), any such proceeds to the Debtors or their estates would have resulted in distributions in respect of such ESL Claims in excess of \$50 million, the right to receive such distributions in excess of \$50 million shall be treated as an unsecured claim and receive pro rata recoveries with general unsecured claims other than the Claims and causes of action described in the preceding clause (c)(i), and (iii) notwithstanding any order of the Bankruptcy Court to the contrary or section 1129 of the Bankruptcy Code, it shall not be a condition to confirmation of any chapter 11 plan filed in the Bankruptcy Cases that any ESL Claims arising under Section 507(b) of the Bankruptcy Code be paid in full or in part.

(d) This Section 9.13, and all statements or negotiations relating hereto, shall be governed by Federal Rule of Evidence 408 and any corresponding state rules of evidence. Without limiting the foregoing, neither this Section 9.13 nor any statements or negotiations relating hereto shall be offered or received in evidence in any proceeding for any purpose other than to enforce the terms of this Section 9.13.

(e) For the purposes of this Section 9.13, the terms set out below shall be defined as follows:

(i) “Debtors” means each of the debtors and debtors in possession in the Bankruptcy Cases, including the Sellers.

(ii) “Released Estate Claims” means any and all Claims and causes of action of the Debtors and their estates against ESL arising under (i) sections 363(k), 502(a) or 510(c) of the Bankruptcy Code, (ii) equitable principles of subordination or recharacterization, or (iii) any other applicable Law that could be asserted to challenge the allowance of the ESL Claims pursuant to section 9.13(c). For the avoidance of doubt the Released Estate Claims do not include any other Claims or causes of action of the Debtors or their estates against ESL or any other Person, including but not limited to any Claims or causes of action (i) for constructive or actual fraudulent transfer under 11 U.S.C. 544(b) or 550(a) or any applicable state or federal law, for breach of fiduciary duty (including any Claims for breach of fiduciary duty in connection with the incurrence of any debt described on Exhibit G), or for illegal dividend under 8 Del. C. 170-174 or any other state law; (ii) that are related to Lands’ End, Inc., the “spin-off” (as such term is defined in the Information Statement of Lands’ End, Inc. dated March 18, 2014), Seritage Growth Properties, Inc., Seritage Growth Properties, L.P, or the “Transaction” (as that term is defined in the registration statement on Form S-11 filed by Seritage Growth Properties, which registration statement became effective on June 9, 2015), or (iii) that have been asserted by or on behalf of any party in interest in the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 cases captioned In the Matter of a Plan of Compromise or Arrangement of Sears Canada Inc., 9370-2751 Quebec Inc., 191020 Canada Inc., The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., Initium Commerce Labs Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centers Inc., 173470 Canada Inc., 2497089 Ontario Inc., 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 168886 Canada Inc., and 3339611 Canada Inc., Ontario Superior Court of Justice Court File No.: CV-17-11846-00CL.

Section 9.14 KCD IP Covenants.

(a) Commencing as of the date hereof (and, for the avoidance of doubt, continuing after the Closing Date), Sellers shall not, and shall cause all of their Affiliates (including KCD IP, LLC) not to, (i) sell, transfer, assign, encumber, allow to lapse, abandon, cancel, fail to renew, fail to continue to prosecute, protect or defend, or otherwise dispose of or convey, any KCD IP, (ii) license, sublicense or grant any Person (other than Buyer and its Affiliates) any rights to, as applicable, any KCD IP or (iii) amend, renew or terminate (or fail to exercise termination rights or option rights with respect to) any Contract pursuant to which any Seller or any of its Affiliates has granted, prior to the date hereof, any license, sublicense, covenant not to sue or other rights under any KCD IP, in each case of the foregoing without the prior written consent of Buyer in its sole discretion. Sellers shall not, and shall cause all of their Affiliates not to, sell, assign, or in any way transfer any equity interests in KCD IP, LLC without requiring as a condition of such sale, assignment or transfer that the purchaser of such equity interests agree to the limitations set forth in this Section 9.14, and any sale, assignment or transfer in violation of this Section 9.14 shall be null and void *ab initio*.

(b) As soon as reasonably practicable after the date hereof and in any event prior to the Closing Date, Sellers shall use reasonable best efforts to cause KCD IP, LLC to grant, effective as of the Closing, a perpetual, irrevocable (provided that, if Buyer commits a material breach of its obligations under the Exclusive License and KCD IP, LLC gives notice to Buyer specifying the basis for termination and Buyer fails to cure, resolve or remediate the basis for the breach within ninety (90) days after such notice is provided, KCD IP, LLC may convert the exclusive license granted under the Exclusive License to a non-exclusive license; and provided, further, that if Buyer fails to cure, resolve or remediate the basis for such material breach within one hundred twenty (120) days after such notice is provided, KCD IP, LLC may, upon notice to Buyer, suspend the license with respect to the uses that cause the material breach until such cure, resolution or remediation has been effected), worldwide, sublicensable (in connection with uses and sublicensees of the same type and scope as those for which sublicenses were granted by Sellers under the KCD IP prior to the date hereof and, subject to the consent of KCD IP, LLC, such consent not to be unreasonably withheld, conditioned or delayed, in connection with other uses and sublicensees), transferable (A) in whole to an Affiliate of Buyer or (B) in connection with a sale of assets, properties, rights or businesses associated with the Kenmore Marks included in the KCD IP or with the DieHard Marks included in the KCD IP, provided that all of the rights and obligations under the applicable license grant are assigned, and provided further that such third party assumes in writing all of the applicable rights and responsibilities of Buyer under the Exclusive License) exclusive license (but subject to (i) any licenses under the KCD IP in effect as of the Closing Date and (ii) if the SHIP Closing shall have occurred prior to the Closing Date, the license to Service.com in the form of Exhibit E of the SHIP Purchase Agreement contemplated to be entered into in connection with the SHIP Purchase Agreement) to Buyer under all of the KCD IP used or held for use by Sellers as of the date hereof (including, for the avoidance of doubt, the Kenmore Marks and the DieHard Marks, in each case owned by KCD IP, LLC) for all purposes in connection with the Buyer's businesses (including the Business) and the natural evolutions thereof. The Exclusive License shall include the same quality control provisions as set forth in the Kenmore License Agreement, dated as of March 18, 2006, by and between KCD IP, LLC and KMART Corporation, as amended by that certain First Amendment to Kenmore License

Agreement dated as of November 29, 2009 and that certain Second Amendment to Kenmore License Agreement dated as of March 7, 2012 and shall provide that KCD IP, LLC, as licensor, will continue to maintain its rights to enforce, maintain and defend the Intellectual Property licensed under the Exclusive License in the first instance; provided that Buyer shall have the right to independently enforce, maintain and defend the applicable KCD IP if the business or businesses of Buyer or its Affiliates would otherwise be materially adversely affected. The Exclusive License shall otherwise be in the form proposed by Buyer and any additional terms (other than the terms set forth above) must be reasonably acceptable to Sellers (Sellers' review and approval not to be unreasonably withheld, delayed or conditioned, provided that it shall not be unreasonable for Sellers to not accept any such additional terms that they reasonably consider render the license a sale, transfer or other disposition of all or substantially all of the assets of KCD IP, LLC). The Exclusive License shall be subject to royalties equal to those in effect as of the date hereof under (x) with respect to the Kenmore Marks, the Kenmore License Agreement, dated as of March 18, 2006, by and between KCD IP, LLC and KMART Corporation, as amended by that certain First Amendment to Kenmore License Agreement dated as of November 29, 2009 and that certain Second Amendment to Kenmore License Agreement dated as of March 7, 2012 and (y) with respect to the DieHard Marks, the DieHard License Agreement, dated as of March 18, 2006, by and between KCD IP, LLC and KMART Corporation, as amended by that certain First Amendment to DieHard License Agreement dated as of November 29, 2009 and that certain Second Amendment to DieHard License Agreement dated as of March 7, 2012, provided that the terms of the Exclusive License taken collectively shall not constitute a sale, transfer or other disposition of all or substantially all of the assets of KCD IP, LLC.

(c) In the event that, despite Sellers' reasonable best efforts, KCD IP, LLC has not agreed to grant Buyer the Exclusive License effective as of the Closing Date by the date that is ten (10) days prior to the Closing, and provided that any such delay is not due to Buyer's acts or omissions, then at Buyer's election, Sellers shall, prior to the Closing, use reasonable best efforts to obtain any Consent from KCD IP, LLC necessary to assign to Buyer those KCD Agreements that are designated for assignment and assumption by written notice of Buyer pursuant to this Agreement, and assume and assign such KCD Agreements in accordance with this Agreement (such that such KCD Agreements are Assigned Agreements as contemplated herein).

(d) In the event that, despite Sellers' reasonable best efforts, KCD IP, LLC's Consent described in the above clause (c) is not obtained by the date that is five (5) days prior to the Closing, and provided that any such delay is not due to Buyer's acts or omissions, then (i) Sellers shall, prior to the Closing, assume all KCD Agreements that provide Sellers with the right to sublicense KCD IP to Buyer that are designated only for assumption by written notice of Buyer and (ii) effective as of the Closing Date, Sellers hereby grant to Buyer, a perpetual, irrevocable, worldwide, royalty-bearing (as described in Section 9.14(b)), further sublicensable, transferable, non-exclusive sublicense under all of the KCD IP used or held for use by Sellers as of the date hereof (including, for the avoidance of doubt, the Kenmore Marks and the DieHard Marks, in each case owned by KCD IP, LLC) for all purposes in connection with the businesses of Buyer (including the Business) and the natural evolutions thereof, provided that to the extent Sellers cannot grant the foregoing, Sellers hereby grant to Buyer a non-exclusive sublicense of the broadest scope that Sellers can grant under all the KCD Agreements assumed by Sellers pursuant to this clause (d). For the purpose of this Section 9.14(d)(ii), any such sublicense granted to Buyer is subject to (x)

any licenses under the KCD IP in effect as of the Closing Date and (y) if the SHIP Closing shall have occurred prior to the Closing, the license to Service.com in the form of Exhibit E of the SHIP Purchase Agreement contemplated to be entered into in connection with the SHIP Purchase Agreement), and shall be of the broadest scope that Sellers can grant under, and subject to the terms of the relevant KCD Agreement. Buyer shall ensure that its use of the KCD IP, as provided in this Section 9.14(d), shall only be with respect to goods and services of a substantially similar level of quality to the goods and services with respect to which Sellers used the KCD IP prior to the Closing. For the avoidance of doubt, (i) Sellers shall not reject, seek to terminate or agree to terminate the KCD Agreements assumed pursuant to this Section 9.14(d) or amend or agree to amend such Contracts in any manner that narrows any of the licenses thereunder and (ii) to the extent that Sellers cease to exist or the KCD Agreements assumed pursuant to this Section 9.14(d) expire or terminate, the sublicense granted herein shall survive.

(e) Solely with respect to the Exclusive License or any sublicense granted pursuant to Section 9.14(d)(ii), Buyer agrees that (A) Sellers and their Affiliates (including KCD IP, LLC) shall have no responsibility for claims by third parties arising out of, or relating to, Buyer's use of the KCD IP in any manner and (B) in addition to any and all remedies, from and after the Closing, Buyer shall indemnify, defend and hold harmless Sellers and their Affiliates (including KCD IP, LLC), for so long as any Seller or Affiliate of Seller is in existence, from and against any and all third party claims that may arise out of use of such KCD IP by or on behalf of Buyer or any of its Affiliates or assignees, in each case other than claims that the KCD IP infringes or otherwise violates the Intellectual Property of any third party. Except as provided in the foregoing sentence, all Intellectual Property licensed under Section 9.14(b) or Section 9.14(d)(ii) is licensed "as-is" with all faults, without warranty of any kind (whether express, implied, statutory or otherwise), and Seller does not make, and Buyer hereby specifically disclaims, any representations or warranties (whether express or implied, statutory or otherwise). For the avoidance of doubt, with respect to Section 9.14(c), the allocation of the foregoing shall be determined by the applicable KCD Agreements that are designated for assignment and assumption by written notice of Buyer pursuant to this Agreement.

(f) For clarity, and not in limitation of the foregoing, Buyer (or its applicable designee) may grant a security interest in any or all of its rights and benefits under Section 9.14(b), Section 9.14(c) or Section 9.14(d) for collateral purposes to the Financing Sources in connection with the Debt Financing.

Section 9.15 Seritage Master Lease. Any assignment and assumption of Seritage Master Lease shall be an assignment and assumption of such Seritage Master Lease in its entirety, except as otherwise agreed by the landlord under the Seritage Master Lease.

ARTICLE X

CONDITIONS PRECEDENT TO THE OBLIGATION OF BUYER TO CLOSE

Buyer's obligation to consummate the Transactions is subject to the satisfaction or waiver, as of the Closing, of each of the following conditions; provided, however, that Buyer may not rely on the failure of any condition set forth in this Article X if such failure was caused by Buyer's

failure to comply with any provision of this Agreement or if such failure was caused by any action or failure to act by Seller at the direction of any Buyer Related Party:

Section 10.1 Accuracy of Representations. The representations and warranties of Sellers contained in Article VI shall be true and correct as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties which address matters only as of a particular date need only be true and correct as of such date); provided, however, that the condition in this Section 10.1 shall be deemed to be satisfied so long as any failure of such representations and warranties to be true and correct (without giving effect to any limitation as to “materiality” or “Material Adverse Effect” set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect. Buyer shall have received a certificate of Sellers, signed by a duly authorized officer of Sellers, to that effect.

Section 10.2 Sellers’ Performance. Sellers shall have performed and complied with in all material respects the covenants and agreements that Sellers are required to perform or comply with pursuant to this Agreement at or prior to the Closing, and Buyer shall have received a certificate of Sellers to such effect signed by a duly authorized officer thereof.

Section 10.3 No Material Adverse Effect. Since the date of this Agreement, there shall not have been any Effect that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

Section 10.4 No Order. No Governmental Authority shall have enacted, issued, promulgated or entered any Order which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the Transactions (a “Closing Legal Impediment”).

Section 10.5 Governmental Authorizations. Any applicable waiting period required by the HSR Act and any extensions thereof, or any timing agreements, understandings or commitments obtained by request or other action of the FTC and/or the Antitrust Division, as applicable, shall have expired or been terminated.

Section 10.6 Sellers’ Deliveries. Without limiting Section 10.2, each of the deliveries required to be made to Buyer pursuant to Section 4.3 have been so delivered, except for such deliveries which, by their nature, cannot be made on or prior to the Closing.

Section 10.7 Approval Order. The Bankruptcy Court shall have entered the Approval Order, and the Approval Order shall be in full force and effect and shall not have been stayed, vacated or modified.

Section 10.8 KCD IP.

(a) Sellers shall have (i) caused KCD IP, LLC to grant the Exclusive License in accordance with Section 9.14(b), (ii) obtained any Consent of KCD IP, LLC required under Section 9.14(c) and assigned to Buyer as of the Closing Date all KCD Agreements referenced therein or (iii) assumed all KCD Agreements effective as of the Closing Date that provide Sellers with the right to sublicense KCD IP to Buyer that are designated only for assumption by written notice of Buyer in accordance with Section 9.14(d).

(b) KCD IP, LLC shall not have voluntarily filed for bankruptcy under the Bankruptcy Code.

Section 10.9 Inventory and Receivables. The aggregate amount of (i) the Inventory Value of the Acquired Inventory (excluding any Pending Inventory), (ii) the amounts due to Seller with respect to (A) the Credit Card Accounts Receivable and (iii) the Pharmacy Receivables shall be at least \$1,657,000,000. To the extent that the aggregate amount of items (i) through (iii) in the foregoing sentence exceeds \$1,657,000,000 on the Closing Date, Sellers may reduce such amount to be equal to \$1,657,000,000 by *first*, transferring (at Sellers' expense and in consultation with Buyer) Inventory that would otherwise be Acquired Inventory to a GOB Leased Store or a GOB Owned Store or any other location designated by Sellers that is not a Property, until the Inventory Value of the Acquired Inventory is equal to \$1,553,000,000 and *second*, retaining as an Excluded Asset the oldest of any Credit Card Accounts Receivable or Pharmacy Receivables.

Section 10.10 Outstanding DIP Indebtedness. The aggregate amount required to be paid to fully satisfy the existing indebtedness of Sellers under (a) the DIP Credit Agreement shall be no greater than \$850,000,000 and (b) the Junior DIP Term Loan shall be no greater than \$350,000,000 (exclusive of any accrued and unpaid interest thereon).

ARTICLE XI

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLERS TO CLOSE

Sellers' obligation to consummate the Transactions is subject to the satisfaction or waiver, as of the Closing, of each of the following conditions; provided, however, that Seller may not rely on the failure of any condition set forth in this Article XI if such failure was caused by Seller's failure to comply with any provision of this Agreement:

Section 11.1 Accuracy of Representations. The representations and warranties of Buyer contained in Article VII shall be true and correct as of the Closing Date as though made on and as of the Closing Date (except that those representations and warranties which address matters only as of a particular date need only be true and correct as of such date); provided, however, that the condition in this Section 11.1 shall be deemed to be satisfied so long as any failure of such representations and warranties to be true and correct (without giving effect to any limitation as to "materiality" or "material adverse effect" set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to prevent or materially impair the ability of Buyer to perform, or to consummate the Transactions. Sellers shall have received a certificate of Buyer, signed by a duly authorized officer of Buyer, to that effect.

Section 11.2 Buyer's Performance. Buyer shall have performed and complied with in all material respects the covenants and agreements that Buyer is required to perform or comply with pursuant to this Agreement at or prior to the Closing, and Sellers shall have received a certificate of Buyer to such effect signed by a duly authorized officer thereof.

Section 11.3 No Order. No Closing Legal Impediment shall be in effect.

Section 11.4 Governmental Authorizations. Any applicable waiting period required by the HSR Act and any extensions thereof, or any timing agreements, understandings or commitments obtained by request or other action of the FTC and/or the Antitrust Division, as applicable, shall have expired or been terminated.

Section 11.5 Buyer's Deliveries. Each of the deliveries required to be made to Sellers pursuant to Section 4.2 shall have been so delivered, except for such deliveries which, by their nature, cannot be made on or prior to the Closing.

Section 11.6 Bidding Procedures Order. The Bankruptcy Court shall have entered the Bidding Procedures Order, and such Order shall not have been stayed, vacated or modified.

Section 11.7 Approval Order in Effect. The Bankruptcy Court shall have entered the Approval Order and the Approval Order shall be in full force and effect and shall not have been stayed, vacated or modified.

Section 11.8 Pay-Down of Real Estate 2020 Loan. To the extent not previously provided, at least two (2) Business Days prior to the Closing Date, the Sellers shall provide to the agent under the Real Estate 2020 Loan all proceeds from the sale or other disposition of collateral pledged to secure the Real Estate 2020 Loan that were closed prior to the Closing Date, including, without limitation the proceeds held in a segregated account pursuant to paragraph 27 of the *Order (I) Approving the Sale of Certain Real Property, (II) Authorizing the Assumption and Assignment of Certain Unexpired Leases in Connection therewith, and (III) Granting Related Relief* [Docket No. 1393].

ARTICLE XII

TERMINATION

Section 12.1 Termination Events. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing:

(a) by either Sellers or Buyer:

(i) if the Bankruptcy Court shall have determined that it will not enter the Approval Order or if a Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any final and non-appealable applicable Law (including any Order) which is in effect and has the effect of making the Transactions illegal or otherwise restraining or prohibiting consummation of the Transactions and which is not satisfied, resolved or preempted by the Approval Order; provided, however, that the right to terminate this Agreement pursuant to this Section 12.1(a)(i) shall not be available to any Party whose material breach of any of its representations, warranties, covenants or agreements contained herein results in or causes such event;

(ii) if the Closing shall not have occurred by 11:59 p.m. New York City time on February 19, 2019 (the "Outside Date"); provided, however, that the right to terminate this Agreement pursuant to this Section 12.1(a)(ii) shall not be available to any Party whose

material breach of any of its representations, warranties, covenants or agreements contained herein results in the failure of the Closing to be consummated by such time;

(iii) if Sellers accept or agree to any Competing Transaction or upon approval by the Bankruptcy Court of, or the filing by or on behalf of any Seller of a motion or other request to approve, a Competing Transaction; provided, however, that if Seller, pursuant to Section 8.2(c) and the Bidding Procedures Order, has designated Buyer as a “Back-Up Bidder,” then Buyer shall not be permitted to terminate this Agreement prior to the Outside Date except as consistent with the terms of Section 8.2(c) and the Bidding Procedures Order; or

(iv) by mutual written consent of Sellers and Buyer.

(b) by Buyer:

(i) in the event of any breach by any Seller of any of its agreements, covenants, representations or warranties contained herein that would result in the failure of a condition set forth in Section 10.1 or Section 10.2 to be satisfied, and the failure of Sellers to cure such breach by the earlier of (A) the Outside Date and (B) the date that is fifteen (15) days after receipt of a notice in writing from Buyer of their intention to exercise their rights under this Section 12.1(b)(i) as a result of such breach; provided, however, that that the right to terminate this Agreement pursuant to this Section 12.1(b)(i) shall not be available to Buyer if Buyer is in breach of any of its representations, warranties, covenants or agreements contained herein in a manner that would result in the failure of a condition set forth in Article XI to be satisfied;

(ii) if any of the Bankruptcy Cases is dismissed or converted to a case under chapter 7 of the Bankruptcy Code;

(iii) if the Bankruptcy Court has not approved the consummation of the Transactions on or before February 8, 2019, or if the Approval Order has not been entered on or before February 8, 2019 subject to Bankruptcy Court availability (or is vacated or stayed as of such date); or

(iv) if Sears Re shall not have agreed to be bound by all of the terms of this Agreement as a Seller hereunder by delivering a signature page in the form attached hereto by 11:59 p.m. New York City time on January 22, 2019. For the avoidance of doubt, it is the intent of the Parties that this Agreement shall be binding on each of the Parties (other than Sears Re) notwithstanding that Sears Re has not yet delivered its signature page hereto.

(c) by Sellers:

(i) in the event of any breach by Buyer of any of its agreements, covenants, representations or warranties contained herein that would result in the failure of a condition set forth in Section 11.1 or Section 11.2 to be satisfied, and the failure of Buyer to cure such breach by the earlier of (A) the Outside Date and (B) the date that is fifteen (15) days after receipt of a notice in writing from Sellers of their intention to exercise their rights

under this Section 12.1(c)(i) as a result of such breach; provided, however, that that the right to terminate this Agreement pursuant to this Section 12.1(c)(i) shall not be available to Seller if Sellers are themselves in breach of any of their representations, warranties, covenants or agreements contained herein, in each case in a manner that results in the failure of a condition set forth in Article X to be satisfied;

(ii) if the Bankruptcy Court has not approved the consummation of the Transactions on or before February 8, 2019, or if the Approval Order has not been entered on or before February 8, 2019 subject to Bankruptcy Court availability (or is vacated or stayed as of such date); or

(iii) if (A) all of the conditions set forth in Article X have been satisfied (other than those conditions that by their nature are to be satisfied by actions taken at the Closing, but which would be satisfied if the Closing Date were the date of such termination, or would have been satisfied, assuming the Closing had in fact occurred), (B) Buyer failed to consummate the transactions contemplated by this Agreement by the time set forth in Section 4.1, (C) Sellers have irrevocably confirmed to Buyer in writing that all the conditions in Article XI have been satisfied (or that it is willing to waive any unsatisfied conditions set forth in Article XI) and that Sellers have indicated to Buyer in writing that Sellers are ready, willing and able to consummate the transactions contemplated by this Agreement, (D) Sellers have given Buyer written notice at least two (2) Business Days prior to such termination stating Sellers' intention to terminate this Agreement pursuant to this Section 12.1(c)(iii), and (E) Buyer fails to consummate the transactions contemplated by this Agreement within such two (2) Business Day period.

Section 12.2 Effect of Termination.

(a) Subject to the first sentence of Section 12.2(b), in the event of any termination of this Agreement pursuant to Section 12.1, this Agreement (other than the provisions set forth in this Section 12.2, Section 12.3 and Article XIII) shall forthwith become null and void and be deemed of no further force and effect. Subject to Section 12.2(b) and the provisions set forth in the immediately preceding sentence, there shall be no liability or obligation thereafter on the part of any Party. Notwithstanding the foregoing, subject to the second sentence of Section 12.2(b), any such termination shall not limit any Party's liability for any willful and material breach prior to the time of such termination. For purposes of this Agreement, "willful and material breach" means a material inaccuracy or breach of any material representation, warranty or covenant or other agreement set forth in this Agreement that is a consequence of an act or failure to act by or on behalf of the breaching Party with knowledge that the taking of such act or failure to take such act would, or would reasonably be expected to, result in a breach of this Agreement. In the event of any valid termination of this Agreement pursuant to Section 12.1 (other than a termination by Sellers pursuant to Section 12.1(c)(i) or Section 12.1(c)(iii)), Sellers shall promptly (and in no event later than two (2) Business Days following such termination) return to Buyer the Deposit Amount and any other deposit delivered by Buyer to Sellers pursuant to the Bidding Procedures Order. Notwithstanding anything to the contrary in this Agreement, the maximum liability of the Seller and its Subsidiaries under this Agreement shall not exceed \$30,000,000 (except in the case of a willful and material breach, in which event such maximum liability shall not exceed \$120,000,000).

(b) In the event of any valid termination of this Agreement by Sellers pursuant to Section 12.1(c)(i) or Section 12.1(c)(iii), then Sellers, as Sellers' sole and exclusive remedy as a result of such termination, shall have the right to retain the Deposit Amount, if any. Notwithstanding anything to the contrary in this Agreement, the maximum liability of Buyer under this Agreement shall not exceed the Deposit Amount.

Section 12.3 Termination and Adjustment Rights of Buyer as to Properties and Related Acquired Assets.

(a) If a material portion of any Lease Premises, a material portion of any Owned Real Property, or a material portion of the Potential Acquired Assets related to the Lease Premises is materially damaged or destroyed, or the physical condition thereof is materially and adversely changed (including as a result of failure of proper repair or maintenance or environmental contamination that occurs from and after the date hereof), or any Lease Premises or Owned Real Property is subject to a condemnation or other governmental taking of a material portion thereof or any shopping center in which a Lease Premises is located is damaged, destroyed or condemned such that the operations of such Lease Premises are materially and adversely affected at any time from the date of this Agreement up to and including the Closing (each of the foregoing, a "Casualty / Condemnation Event"), Sellers shall provide prompt written notice of such Casualty / Condemnation Event to Buyer. Buyer shall elect within ten (10) days after notice of such Casualty / Condemnation Event from Sellers, together with Sellers' best estimate of the net amount of insurance proceeds and/or condemnation award available to Buyer pursuant to Section 12.3(b) (including any deductions pursuant to Section 12.3(b)), to either (A) in the case of a Lease Premises, acquire Designation Rights with respect to such Lease Premises at the Closing or, in the case of Owned Real Property, acquire such Owned Real Property at the Closing and, in either case, Sellers shall assign to Buyer any right Sellers have to any insurance proceeds or condemnation award or proceeds relating to such Casualty/Condemnation Event at the Closing (including any insurance proceeds actually received by Sellers with respect to such Casualty/Condemnation Event, but less, as provided in Section 5.1(a)(v), (x) any amounts used by any Seller for restoration, repair or replacement and (y) any recoveries or proceeds to the extent attributable to lost rents or similar costs applicable to any period prior to the Closing) or (B) in the case of a Lease Premises, decline to acquire Designation Rights with respect to such Lease Premises or, in the case of Owned Real Property, decline to acquire such Owned Real Property, in which case the Purchase Price shall not be reduced (but, in the case of Owned Real Property, Seller shall assign to Buyer any right Sellers have to any insurance proceeds or condemnation award relating to any such Casualty/Condemnation Event at Closing). For the avoidance of doubt, Casualty / Condemnation Events that are subject to this Section 12.3(a) are only those occurring during the period from the date of this Agreement up to and including the Closing. Additionally, in the case of any Owned Real Property or Leased Real Property with respect to which a claim for damages to buildings or fixtures is pending as of the date of this Agreement, Sellers shall assign to Buyer any right Sellers have to any insurance proceeds relating to such claim and any amounts actually received in respect of such claim, other than any insurance proceeds in respect of the Acquired Assets set forth on Schedule 2.1(q) in an aggregate amount not to exceed \$13,000,000, and the Purchase Price shall not be reduced.

(b) In connection with any assignment of awards, proceeds or insurance under this Section 12.3, (i) such assignment of proceeds or awards shall not include any awards, proceeds or insurance to the extent attributable to lost rents or similar costs applicable to any period prior to the applicable Closing or paid in connection with repair, restoration or replacement during such period, and (ii) to the extent that Buyer has received written notice thereof in reasonable detail not less than fifteen (15) days prior to the Closing, such assignment of proceeds or awards shall be reduced by the amount of (x) all actual and documented, reasonable out-of-pocket repair costs incurred by Sellers in connection with the repair or restoration of such damage or destruction, (y) all actual and documented, reasonable out-of-pocket collection costs of Sellers respecting any awards or other proceeds, and (z) any amounts required to be paid (and solely to the extent actually paid) by Sellers or the insurance company to the applicable landlord under the Lease, if applicable, or to such landlord's lender as required pursuant to any of such lender's financing, as applicable.

(c) Buyer shall have the right, prior to Closing, to decline to acquire (i) Designation Rights with respect to any Lease and related Potential Acquired Assets or (ii) any Acquired Assets, in each case if and only if any Consent from any Person (other than a Governmental Authority) has not been obtained from such Person or has not otherwise been provided for pursuant to the Approval Order, the absence of which prevents the acquisition or exercise of the Designation Rights with respect to such Lease and related Potential Acquired Assets or the acquisition of such Acquired Assets; provided, that if the failure to obtain such Consent is curable, Sellers shall have until the earlier of (i) the Closing Date or (ii) ten (10) days after receipt of Buyer's notice of intent to terminate to obtain such Consent; and provided, (c) further that, for the avoidance of doubt, the provisions of this Section 12.3(d) shall not apply with respect to any license (incoming or outgoing) of any Intellectual Property.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1 Public Announcements. Except as required by applicable Law (including any Order by the Bankruptcy Court) or pursuant to filings by Sellers with, or in any proceeding before, the Bankruptcy Court, neither Sellers nor Buyer shall issue any press release, or make any public announcement concerning this Agreement or the Transactions, without first consulting the other Party or Parties.

Section 13.2 Notices. Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be delivered (a) in person, (b) via e-mail or (c) by a nationally recognized courier for overnight delivery service. A notice or communication shall be deemed to have been effectively given (i) if in person, upon personal delivery to the Party to whom the notice is directed, (ii) if via e-mail, on the date of successful transmission and (iii) if by nationally recognized courier, one Business Day after delivery to such courier. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed as follows:

If to Sellers, then to:
Sears Holdings Corporation

3333 Beverly Road
Hoffman Estates, IL 60179
Attention: General Counsel
E-mail: counsel@searshc.com

with a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Ray C. Schrock, P.C., Ellen J. Odoner, Gavin Westerman and Sunny Singh
E-mail: Ray.Schrock@weil.com; Ellen.Odoner@weil.com;
Gavin.Westerman@weil.com; Sunny.Singh@weil.com

If to Buyer, then to:
Transform Holdco LLC
c/o ESL Partners, Inc..
1170 Kane Concourse, Suite 200
Bay Harbor Islands, FL 33154
Attention: Kunal S. Kamlani and Harold Talisman
Facsimile: (305) 864-1370
E-mail: kunal@eslinvest.com; harold@eslinvest.com

with a copy (which shall not constitute notice) to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Christopher E. Austin, Benet J. O'Reilly and Sean A. O'Neal
E-mail: caustin@cgsh.com; boreilly@cgsh.com; soneal@cgsh.com

Section 13.3 Amendment; Waiver. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by each Party; provided that this Section 13.3, Section 13.6, Section 13.8, Section 13.10 or Section 13.12, in each case as such Sections relate to the Financing Sources, may not be amended in a manner adverse to the Financing Sources without the prior written consent of the applicable Financing Source under the applicable Debt Commitment Letter. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Parties of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the Parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. No course of dealing between or among the Parties shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights to payment of any Party under or by reason of this Agreement.

Section 13.4 Entire Agreement. This Agreement (including the Schedules and the Exhibits), the Confidentiality Agreement and the other Transaction Documents contain all of the terms, conditions and representations and warranties agreed to by the Parties relating to the subject matter of this Agreement and supersede all prior and contemporaneous agreements, understandings, negotiations, correspondence, undertakings and communications of the Parties or their representatives, oral or written, respecting such subject matter. The representations, warranties, covenants and agreements contained in this Agreement (including the Schedules and the Exhibits) and the other Transaction Documents are intended, among other things, to allocate the economic cost and the risks inherent in the Transactions, including risks associated with matters as to which the party making such representations and warranties has no knowledge or only incomplete knowledge, and such representations and warranties may be qualified by disclosures contained in the Schedules. Consequently, Persons other than the Parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 13.5 No Presumption as to Drafting. Each of the Parties acknowledges that it has been represented by legal counsel in connection with this Agreement and the other Transaction Documents and the Transactions. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement or the Transaction Documents against the drafting party has no application and is expressly waived.

Section 13.6 Assignment. Subject to Buyer's express rights of assignment with respect to any Assignee, this Agreement, and the rights, interests and obligations hereunder, shall not be assigned by any Party by operation of Law or otherwise without the express written consent of the other Parties (which consent maybe granted or withheld in the sole discretion of such other Party); provided, however, that Buyer shall be permitted, upon prior notice to Sellers but without consent of Sellers, to assign all or any part of its rights or obligations hereunder to an Affiliate (an "Affiliated Designee"); provided that such assignment would not reasonably be expected to prevent or materially impair or delay the consummation of the Transactions or otherwise be materially adverse to Sellers; provided further Buyer shall be permitted to, at or after the Closing, collaterally assign its rights under this Agreement for purposes of creating a security interest or otherwise assigning collateral to the Financing Sources in connection with the Debt Financing; provided further that that no such assignment shall relieve Buyer of any of its obligations under this Agreement.

Section 13.7 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

Section 13.8 Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement and all claims or causes of action (whether in contract or in tort, in law or in equity or granted by statute) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) shall be governed by, and construed in accordance with, the procedural and substantive laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other Law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto. Notwithstanding anything herein to the contrary, all claims or causes of action (whether in contract or tort) brought against the Financing Sources that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), including any dispute arising out of or relating in any way to the Financing or the performance thereof or the transactions contemplated thereby, shall be governed by the Laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York.

(b) Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may be based upon, arise out of or relate to this Agreement, any breach or default hereunder, or the Transactions and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Proceeding; provided, however, that, if the Bankruptcy Case is closed, all Proceedings based upon, arising out of or relating to this Agreement shall be heard and determined in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or in the event (but only in the event) that such court does not have subject matter jurisdiction over such Proceeding in the United States District Court for the District of Delaware and any federal appellate court therefrom, and the Parties hereby (a) irrevocably and unconditionally submit to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or in the event (but only in the event) that such court does not have subject matter jurisdiction over such Proceeding in the United States District Court for the District of Delaware and any federal appellate court therefrom) with respect to all Proceedings based upon, arising out of or relating to this Agreement and the Transactions (whether in contract or in tort, in law or in equity or granted by statute); (b) agree that all claims with respect to any such Proceeding shall be heard and determined in such courts and agrees not to commence any Proceeding relating to this Agreement or the Transactions (whether in contract or in tort, in law or in equity or granted by statute) except in such courts; (c) irrevocably and unconditionally waive any objection to the laying of venue of any Proceeding based upon, arising out of or relating to this Agreement or the Transactions and irrevocably and unconditionally waives the defense of an inconvenient forum; and (d) agree that a final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. The Parties

agree that any violation of this Section 13.8(b) shall constitute a material breach of this Agreement and shall constitute irreparable harm. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by applicable Law. Notwithstanding anything to the contrary contained in this Agreement, each of the Parties agrees that it will not bring or support any person in any Proceeding of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any of the Financing Sources in any way relating to this Agreement or any of the transaction contemplated by this Agreement, including any dispute arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby, in any forum other than the federal and New York state courts located in the Borough of Manhattan within the City of New York and any appellate courts therefrom.

(c) EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY PROCEEDING DIRECTLY OR INDIRECTLY BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT OR IN TORT, IN LAW OR IN EQUITY OR GRANTED BY STATUTE). EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.8.

Section 13.9 Counterparts. This Agreement may be executed in any number of counterparts (including via electronic transmission in portable document format (pdf)) with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement. This Agreement shall become effective when, and only when, each Party shall have received a counterpart hereof signed by the other Party. Delivery of an executed counterpart hereof by means of electronic transmission in portable document format (pdf) shall have the same effect as delivery of a physically executed counterpart in person.

Section 13.10 Parties in Interest; No Third Party Beneficiaries. Except as set forth in Section 13.12, nothing in this Agreement shall confer any rights, benefits, remedies, obligations, liabilities or claims hereunder upon any Person not a Party or a permitted assignee of a Party; provided that the Financing Sources are intended third party beneficiaries of this Section 13.10, Section 13.6, Section 13.8 and Section 13.12.

Section 13.11 Fees and Expenses. The Parties agree that, except as otherwise expressly provided in this Agreement, each Party shall bear and pay all costs, fees and expenses that it incurs, or which may be incurred on its behalf, in connection with this Agreement and the Transactions. The pre-Closing costs of any privacy ombudsman shall be borne equally between Buyer, on the one hand, and Sellers, on the other hand, to the extent such costs are incurred in relation to the Transactions.

Section 13.12 Non-Recourse. All Claims and Liabilities that may be based upon, in respect of, arise under, out or by reason of, be connected with or relate in any manner to this Agreement, the negotiation, execution or performance of this Agreement (including any representation or warranty made in connection with or as an inducement to this Agreement) or the Transactions may be made only against (and are those solely of) the Persons that are expressly identified as Parties to this Agreement. No other Person, including any Buyer Related Party (other than Buyer) or any of the Parties' Affiliates, directors, officers, employees, incorporators, members, partners, managers, stockholders, agents, attorneys, or representatives of, or any financial advisors or lenders to (including the Financing Sources in their capacities as such), any of the foregoing (together, the "Non-Recourse Parties") shall have any liabilities for any Claims or Liabilities arising under, out of, in connection with, or related in any manner to, this Agreement, the Transactions or the Debt Financing or based on, in respect of, or by reason of, this Agreement or its negotiation, execution, performance or breach, whether at law, in equity, in contract, in tort or otherwise.

Section 13.13 Schedules; Materiality. The inclusion of any matter in any Schedule shall be deemed to be an inclusion for all purposes of this Agreement, to the extent that the relevance of such disclosure to any Section is readily apparent from the text of such disclosure, but inclusion therein shall not be deemed to constitute an admission, or otherwise imply, that any such matter is material or creates a measure for materiality for purposes of this Agreement. The disclosure of any particular fact or item in any Schedule shall not be deemed an admission as to whether the fact or item is "material" or would constitute a "Material Adverse Effect."

Section 13.14 Specific Performance. The Parties acknowledge and agree that (a) irreparable injury, for which monetary damages, even if available, would not be an adequate remedy, will occur in the event that any of the provisions of this Agreement are not performed in accordance with the specific terms hereof or are otherwise breached, and (b) the non-breaching Party or Parties shall therefore be entitled, in addition to any other remedies that may be available, to obtain (without the posting of any bond) specific performance of the terms of this Agreement by the breaching Party or Parties. If any Proceeding is brought by the non-breaching Party or Parties to enforce this Agreement, the Party in breach shall waive the defense that there is an adequate remedy at Law.

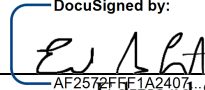
[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the Effective Date.

TRANSFORM HOLDCO LLC

DocuSigned by:

By: _____



Name: _____

Edward S. Lampert

Title: _____

Chief Executive Officer

Sears Holdings Corporation

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer

Kmart Holding Corporation

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

Kmart Operations LLC

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

Sears Operations LLC

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

Sears, Roebuck and Co.

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer,
President & Director

ServiceLive, Inc.

By: 

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

SHC Licensed Business LLC

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer of Kmart Corporation,
its Member

A&E Factory Service, LLC

By:




Name:

Robert A. Riecker


Title:

Vice President & Director


A&E Home Delivery, LLC

By: 
Name: Robert A. Riecker
Title: Vice President & Director

A&E Lawn & Garden, LLC

By: 
Name: Robert A. Riecker
Title: Vice President & Director

A&E Signature Service, LLC

By: 
Name: Robert A. Riecker
Title: Vice President & Director

FBA Holdings Inc.

By:



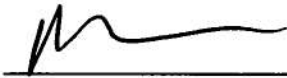
Name:

Robert A. Riecker

Title:

Chief Financial Officer &
Director


Innovel Solutions, Inc.

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

Kmart Corporation

By: 

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

MaxServ, Inc.

By:



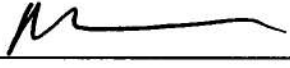
Name:

Robert A. Riecker

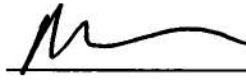
Title:

Vice President & Director


Private Brands, Ltd.

By: 
Name: Robert A. Riecker
Title: Vice President & Director

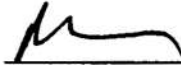
Sears Development Co.

By: 
Name: Robert A. Riecker
Title: President & Director


Sears Holdings Management Corporation

By: 
Name: Robert A. Riecker
Title: President & Director

Sears Home & Business Franchises, Inc.

By: 
Name: Robert A. Riecker
Title: Vice President & Director

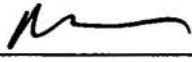
Sears Home Improvement Products, Inc.

By: _____

Name: Robert A. Riecker

Title: President & Director


Sears Insurance Services, L.L.C.

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer

Sears Procurement Services, Inc.

By: 
Name: Robert A. Riecker
Title: Vice President

Sears Protection Company

By:



Name:

Robert A. Riecker

Title:

Vice President

Sears Protection Company (PR), Inc.

By: 

Name: Robert A. Riecker

Title: Vice President

Sears Roebuck Acceptance Corp.

By:



Name:

Robert A. Riecker

Title:

Chief Financial Officer &
Director

Sears, Roebuck de Puerto Rico, Inc.

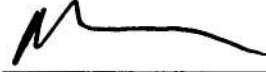
By: _____

Name: Robert A. Riecker

Title: Vice President & Director

SYW Relay LLC

By:

A handwritten signature in black ink, appearing to be 'R. Riecker', written over a horizontal line.

Name:


Robert A. Riecker

Title:

Chief Financial Officer of Sears, Roebuck
and Co., its Member

Wally Labs LLC

By:




Name:

Robert A. Riecker


Title:

Vice President


SHC Promotions LLC

By: 
Name: Robert A. Riecker
Title: Chief Financial Officer

Big Beaver of Florida Development, LLC

By: 
Name: Robert A. Riecker
Title: President

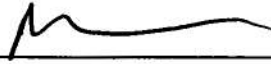
California Builder Appliances, Inc.

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

Florida Builder Appliances, Inc.


By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer &
Director

KBL Holding Inc.

By:



Name:


Robert A. Riecker

Title:

Vice President & Director

Kmart of Michigan, Inc.

By:

A handwritten signature in black ink, appearing to read 'Robert A. Riecker', is written over a horizontal line.

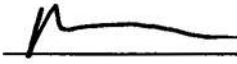
Name:

Robert A. Riecker

Title:

Vice President & Director

Kmart of Washington LLC

By: _____

Name: Robert A. Riecker

Title: Chief Financial Officer of Kmart Corporation,
its Member

Kmart of Illinois LLC

By:



Name:

Robert A. Riecker

Title:

**Chief Financial Officer of Kmart Corporation,
its Member**

Kmart Stores of Texas LLC

By:



Name:

Robert A. Riecker

Title:

**Chief Financial Officer of Kmart Corporation,
its Member**

MyGofer LLC

By:



Name:

Robert A. Riecker

Title:

**Chief Financial Officer of Kmart Corporation,
its Member**

Sears Brands Business Unit Corporation

By:



Name:

Robert A. Riecker

Title:

Vice President & Director

Sears Holdings Publishing Company, LLC

By:



Name:

Robert A. Riecker

Title:

Vice President

Sears Protection Company (Florida), L.L.C.

By:



Name:

Robert A. Riecker

Title:

Vice President

SHC Desert Springs, LLC

By:



Name:


Robert A. Riecker

Title:

**Chief Financial Officer of Kmart Corporation,
its Member**

SOE, Inc.

By:



Name:

Robert A. Riecker

Title:

President & Director

StarWest, LLC

By:



Name:

Robert A. Riecker

Title:

President & Director

STI Merchandising, Inc.

By:



Name:

Robert A. Riecker

Title:

President & Director

Troy Coolidge No. 13, LLC

By:



Name:

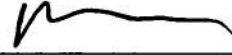
Robert A. Riecker

Title:

**Chief Financial Officer of Kmart Corporation,
its Member**

BlueLight.com, Inc. .

By:




Name:

Robert A. Riecker

Title:

Vice President & Director

Sears Brands, L.L.C.

By: 
Name: Robert A. Riecker
Title: Vice President & Manager

Sears Buying Services, Inc.

By:



Name:

Robert A. Riecker

Title:

President & Director

Kmart.com LLC

By:



Name:

Robert A. Riecker

Title:

**Vice President of BlueLight.com, Inc.,
its Member**

Sears Brands Management Corporation

By:



Name:

Robert A. Riecker

Title:

Vice President & Director

KLC, Inc.

By:



Name:

Robert A. Riecker

Title:

Vice President & Director

SRe Holding Corporation

By:



Name:

Robert A. Riecker

Title:

Vice President & Director

SRC Sparrow 2 LLC

By:



Name:

Robert A. Riecker

Title:

President & Director

IN WITNESS WHEREOF, Sears Reinsurance Company Ltd., a Bermuda Class 3 insurer, has caused this Agreement to be executed and delivered by its duly authorized representatives, and hereby agrees to be bound by all of the terms of this Agreement as a Seller hereunder.

Sears Reinsurance Company Ltd.

By:



Name:

ROBERT T. PITRCHAN

Title:

PRESIDENT

Its duly authorized officer

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : **Chapter 11**
 :
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
 :
 :
Debtors.¹ : **(Jointly Administered)**
 -----X

**ORDER (I) APPROVING THE ASSET PURCHASE AGREEMENT
 AMONG SELLERS AND BUYER (II) AUTHORIZING THE SALE OF
 CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS,
 CLAIMS, INTERESTS AND ENCUMBRANCES, (III) AUTHORIZING THE
 ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND
 LEASES IN CONNECTION THEREWITH AND (IV) GRANTING RELATED RELIEF**

Upon the motion, dated November 1, 2018 (Docket No. 429) (the "Sale Motion"),² filed by the above-captioned debtors and debtors in possession (the "Debtors") seeking, among other things, the entry of an order (the "Sale Order"), pursuant to sections 105, 363 and 365 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), Rules 2002, 6004,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

² Capitalized terms used herein but not otherwise defined have the meanings given to them in the Asset Purchase Agreement (as defined below) or, if not defined in the Asset Purchase Agreement, the meanings given to them in the Sale Motion.

6006, 9007, 9008, and 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rules 6004-1, 6005-1 and 6006-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), authorizing and approving the sale of the Acquired Assets and the assumption and assignment of certain executory contracts and unexpired leases of the Debtors in connection therewith; and the Court having entered this Court’s prior order, dated November 19, 2018 (Docket No. 816) including the schedule as revised by the global bidding procedures process letter filed with the Bankruptcy Court on November 21, 2018 (Docket No. 862) (the “Bidding Procedures Order”), approving competitive bidding procedures for the Acquired Assets (the “Bidding Procedures”) and granting certain related relief; and Transform Holdco LLC (the “Buyer”) having submitted the highest and best bid for the Acquired Assets, as reflected in the Asset Purchase Agreement (as defined below); and the Court having conducted a hearing on the Sale Motion (the “Sale Hearing”) on February 1, 2019, at which time all interested parties were offered an opportunity to be heard with respect to the Sale Motion; and the Court having reviewed and considered (i) the Sale Motion and the exhibits thereto, (ii) the Asset Purchase Agreement, dated as of [●] (as may be amended, restated, amended and restated from time to time, the “Asset Purchase Agreement”), a copy of which is attached hereto as Exhibit A, by and between Sellers and the Buyer, whereby the Sellers have agreed, among other things, to sell the Acquired Assets to the Buyer, including, without limitation, (x) the Assigned Agreements that will be assumed and assigned to Buyer or designated, as applicable, each on the terms and conditions set forth in the Asset Purchase Agreement and (y) designation rights (“Designation Rights”) for certain Designatable Leases and Additional Contracts (the sale of such Acquired Assets, collectively, the “Sale Transaction”), (iii) the Bidding Procedures Order and the record of the hearing before the Court on November

15, 2018 at which the Bidding Procedures Order was approved, (iv) the ability of the Buyer to submit its Credit Bid, and the record of the hearing before the court on [February 1, 2019], at which the Court authorized the Buyer's Credit Bid (as approved pursuant to this Sale Order), [(v) the Declaration of [●] in Support of the Sale Motion (Docket No. [●])], and (vi) the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; and it appearing that due notice of the Sale Motion, the Asset Purchase Agreement, the Bidding Procedures Order, and the form of this order (the "Sale Order") having been provided in accordance with the Bidding Procedures Order and the Amended Order Implementing Certain Notice and Case Management Procedures, entered on November 1, 2018 (Docket No. 405) (the "Amended Case Management Order"); and all objections to the Sale Motion having been withdrawn, resolved or overruled as provided in this Sale Order; and it appearing that the relief requested in the Sale Motion is in the best interests of the Debtors, their estates and creditors and all parties in interest in these chapter 11 cases; and upon the record of the Sale Hearing and these chapter 11 cases; and after due deliberation thereon; and good cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:

A. **Fed. R. Bankr. P. 7052.** The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. The Court's findings shall also include any oral findings of fact and conclusions of law made by the Court during or at the conclusion of the Sale Hearing. This Sale Order shall constitute the findings of fact and conclusions of law and shall take immediate effect upon execution hereof.

B. **Jurisdiction and Venue.** This Court has jurisdiction over the Sale Motion, the Sale Transaction and the property of the Debtors' estates, including the Acquired Assets, pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.). This matter is a core proceeding pursuant to 28 U.S.C. § 157. Venue of these chapter 11 cases and the Sale Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory and Rule Predicates.** The statutory and other legal predicates for the relief sought in the Sale Motion are sections 105(a), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008 and 9014, Local Rules 6004-1, 6005-1 and 6006-1, and the Amended Guidelines for the Conduct of Asset Sales, Approved by Administrative Order Number 383 in the United States Bankruptcy Court for the Southern District of New York.

D. **Final Order.** This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). In the absence of a stay pending appeal, Buyer, being a good faith purchaser under section 363(m) of the Bankruptcy Code, may close the sale contemplated by the Asset Purchase Agreement at any time after entry of this Sale Order and shall not be subject to the stay provided by Bankruptcy Rules 6004(h) and 6006(d).

E. **Notice and Opportunity to Object.** Actual written notice of, and a fair and reasonable opportunity to object to and to be heard with respect to the Sale Motion, the Sale Transaction, the sale of the Acquired Assets free and clear of any Claims (as defined below), the assumption and assignment of the Assigned Agreements, the Auction, the Bidding Procedures and the relief requested in the Sale Motion has been given, as required by the Bankruptcy Code

and the Bankruptcy Rules, the Local Rules, the Amended Case Management Order and the Bidding Procedures Order.

F. **Title to the Acquired Assets.** The Acquired Assets owned by the Debtors constitute property of the Debtors' estates and good title is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. The Debtors are the sole and rightful owners of such Acquired Assets with all right, title and interest to transfer and convey the Acquired Assets to the Buyer, and no other person has any ownership right, title, or interests therein.

G. **Sound Business Purpose.** The Debtors have demonstrated good, sufficient, and sound business purposes and justifications for approval of and entry into the Sale Motion, the Sale Transaction, the Asset Purchase Agreement, and all related agreements (the "**Related Agreements**"). The Debtors' entry into and performance under the Asset Purchase Agreement and Related Agreements (i) is a result of due deliberation by the Debtors and constitute a sound and reasonable exercise of the Debtors' business judgment consistent with their fiduciary duties, (ii) provide value to and are beneficial to the Debtors' estates, and are in the best interests of the Debtors and their estates, creditors and other parties in interest, and (iii) are reasonable and appropriate under the circumstances. The Debtors have demonstrated compelling circumstances for the Sale Transaction outside: (i) the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code and (ii) a plan of reorganization, in that, among other things, the immediate consummation of the Sale Transaction is necessary and appropriate to preserve and maximize the value of the Debtors' estates. Business justifications for the Sale Transaction include, but are not limited to, the following: (i) the Purchase Price set forth in the Asset Purchase Agreement constitutes the highest or otherwise best offer received for the Acquired Assets; (ii) the Asset

Purchase Agreement and the transactions contemplated thereby present the best opportunity to maximize the value of the Acquired Assets, whether on a going concern basis or otherwise, and avoid decline and devaluation of the Acquired Assets that would occur in an immediate liquidation of the Acquired Assets; (iii) unless the Sale Transaction and all of the other transactions contemplated by the Asset Purchase Agreement are concluded expeditiously, as provided for pursuant to the Asset Purchase Agreement, recoveries to creditors will be diminished; and (iv) the value of the Debtors' estates will be maximized through the sale of the Acquired Assets pursuant to the Asset Purchase Agreement.

H. **Compliance with Bidding Procedures.** The Bidding Procedures were substantively and procedurally fair to all parties and were the result of arms'-length negotiations. The Debtors, ESL, the Buyer and their respective counsel and other advisors have complied with the Bidding Procedures and Bidding Procedures Order in all respects. The Buyer subjected its bid to the competitive Bidding Procedures approved by this Court and the Buyer was designated a Qualified Bidder eligible to participate in the Auction and the Successful Bidder (as defined in the Bidding Procedures) for the Acquired Assets in accordance with the Bidding Procedures Order and Bidding Procedures. The Bidding Procedures were substantively and procedurally fair to all parties and all potential bidders and afforded notice and a full, fair, and reasonable opportunity for any person to make a higher or otherwise better offer to purchase the Acquired Assets.

I. **Sale Process.** (i) The Debtors and their advisors, including Lazard Frères & Co. LLC, engaged in a robust and extensive marketing and sale process through the postpetition sale process pursuant to the Bidding Procedures Order and the Bidding Procedures, (ii) the Debtors and their advisors conducted a fair and open sale process, (iii) the sale process, the Bidding

Procedures and the Auction were non-collusive, duly noticed and provided a full, fair and reasonable opportunity for any entity to make an offer to purchase the Acquired Assets, and (iv) the process conducted by the Debtors pursuant to the Bidding Procedures obtained the highest or otherwise best value for the Acquired Assets for the Debtors and their estates, and any other transaction would not have yielded as favorable an economic result.

J. **Fair Consideration; Highest or Best Value.** The consideration to be paid by the Buyer under the Asset Purchase Agreement, including, without limitation, the Credit Bid Amount and the Credit Bid Release Consideration (i) constitutes fair and reasonable consideration for the Acquired Assets, (ii) is the highest or best offer for the Acquired Assets, (iii) will provide a greater recovery for the Debtors' estates and creditors than would be provided by any other practically available alternative, (iv) constitutes fair value, fair, full and adequate consideration, reasonably equivalent value and reasonable market value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act, (v) constitutes fair consideration under the Uniform Fraudulent Conveyance Act, and (vi) constitutes reasonably equivalent value, fair consideration and fair value under any other applicable laws of the United States, any state, territory or possession or the District of Columbia or any other applicable jurisdiction with laws substantially similar to the foregoing. Pursuant to Section 3.1(c) of the Asset Purchase Agreement, the Purchase Price may include cash in the amount of the outstanding obligations owed to lenders other than Buyer or its Affiliates as of the Closing Date under (A) the IP/Ground Lease Term Loan Facility (the "IP/Ground Lease Buyout Amount"), (B) the FILO Facility (the "FILO Facility Buyout Amount"), and (C) the Real Estate Loan 2020 (the "Real Estate Loan 2020 Buyout Amount"), together with the IP/Ground Lease Buyout Amount and the FILO Facility Buyout Amount, the "Buyout Amounts") unless such lender(s) provide written

confirmation to the Sellers that such cash payment and the obligations owed to lenders by the Sellers under the IP/Ground Lease Term Loan Facility, the FILO Facility or the Real Estate Loan 2020, as applicable, are permanently waived and discharged against the Sellers. Pursuant to Section 3.1 of the Asset Purchase Agreement, to the extent payable, each Buyout Amount, if applicable, shall be deposited and held in separate segregated accounts of the Debtors and the Liens of the lenders other than Buyer or its affiliates under the IP/Ground Lease Term Loan Facility, the FILO Facility or the Real Estate Loan 2020, as applicable, shall attach to the cash proceeds held in the applicable designated segregated account in the same order of priority and with the same validity, force and effect as the original Liens of such lenders, and such proceeds shall be released to such lenders within two business days following the Closing Date and shall not otherwise be used by the Debtors without further order of the Bankruptcy Court (the mechanic referred to in this sentence and the preceding sentence shall be referred to herein as the “Buyout Option”). Such consideration, including the Credit Bid Amount, the Credit Bid Release Consideration and the Buyout Option constitutes the highest or best bid for the Acquired Assets. Under the facts and circumstances of these chapter 11 cases, the purchase price for the Acquired Assets is fair and reasonable.

K. **Secured Claims.** ESL holds valid, allowed secured claims against certain of the Debtors, their estates and the property of their estates pursuant to the obligations owed to ESL under the IP/Ground Lease Term Loan Facility, the FILO Facility, the Real Estate Loan 2020, the Second Lien Term Loan, the Second Lien Line of Credit Facility and the Second Lien PIK Notes (together, the “Credit Bid Claims”). The assignment of the claims of ESL to Newco (as defined below) will take place on the Closing Date. Pursuant to Section 363(k) of the Bankruptcy Code and this Sale Order, ESL is hereby authorized to credit bid the Credit Bid

Claims and to use such Credit Bid Claims as a portion of the Purchase Price as set forth in the Asset Purchase Agreement (the “Credit Bid”). At the Auction, pursuant to the Asset Purchase Agreement, the Buyer agreed to pay the Purchase Price, which includes the Credit Bid Amount that will be transferred to the Buyer at the Closing Date.

L. **No Successor or Other Derivative Liability.** The sale and transfer of the Acquired Assets to the Buyer, including the assumption by the Debtors and assignment, transfer and/or sale to the Buyer of the Assigned Agreements, will not subject the Buyer or ESL to any liability (including any successor liability) under any laws, including any bulk-transfer laws or any theory of successor or transferee liability, antitrust, environmental, product line, de facto merger or substantial continuity or similar theories, with respect to the operation of the Debtors’ business prior to the Closing, and for each Assigned Agreement, the applicable Assumption Effective Date, except that, upon the Closing, the Buyer shall become liable for the applicable Assumed Liabilities. The Buyer (i) is not, and shall not be considered a mere continuation of, or successor to, the Debtors in any respect; (ii) has not, *de facto* or otherwise, merged with or into the Debtors; and (iii) is not a continuation or substantial continuation, and is not holding itself out as a mere continuation, of any of the Debtors or their respective estates, businesses or operations, or any enterprise of the Debtors and there is no continuity of enterprise between the Debtors and the Buyer. Accordingly, the Buyer is not and shall not be deemed a successor to the Debtors or their respective estates as a result of the consummation of the transactions contemplated by the Asset Purchase Agreement, and except with respect to any Assumed Liabilities and exceptions, Buyer’s acquisition of the Acquired Assets shall be free and clear of any “successor liability” claims of any nature whatsoever. Buyer would not purchase the

Acquired Assets but for the protections against any claims based upon “successor liability” theories.

M. **Good Faith; No Collusion.** The Asset Purchase Agreement and each of the transactions contemplated therein were negotiated, proposed, and entered into by the Debtors, their management and their boards of directors or equivalent governing bodies and the Buyer and its management, board of directors or equivalent governing body, officers, directors, employees, agents, members, managers and representatives, including ESL, in good faith, without collusion or fraud, and from arms’-length bargaining positions. The Buyer is a “good faith purchaser” and the Buyer and ESL are acting in good faith within the meaning of section 363(m) of the Bankruptcy Code and, as such, are entitled to all the protections afforded thereby. Effective upon the Closing, it shall be judicially determined that neither the Debtors, ESL nor the Buyer have engaged in any conduct that would cause or permit the Asset Purchase Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code. The Buyer and ESL have proceeded in good faith in all respects in that, among other things, (i) the Buyer and ESL have recognized that the Debtors were free to deal with any other party interests in acquiring the Acquired Assets, (ii) the Buyer and ESL have complied with the provisions of the Bidding Procedures Order, (iii) the Buyer’s bid was subjected to competitive Bidding Procedures as set forth in the Bidding Procedures Order, and (iv) all payments to be made by the Buyer and all other material agreements or arrangements entered into by the Buyer and the Debtors in connection with the Sale Transaction have been disclosed and are appropriate. The sale price in respect of the Acquired Assets was not controlled by any agreement among potential bidders and neither the Debtors nor the Buyer have engaged in collusion or fraud or any conduct that would cause or permit the Asset Purchase Agreement to be avoided or costs and

damages to be imposed under section 363(n) of the Bankruptcy Code or that would prevent the application of section 363(m) of the Bankruptcy Code. Accordingly, neither the Asset Purchase Agreement nor the Sale Transaction may be avoided and no party shall be entitled to damages or other recovery pursuant to section 363(n) of the Bankruptcy Code. Specifically, neither ESL nor the Buyer has acted in a collusive manner with any person or entity.

N. **Notice.** As evidenced by the certificates of service filed with the Court: (i) due, proper, timely, adequate and sufficient notice of the Sale Motion, the Bidding Procedures (including the bidding process and the deadline for submitting bids and the Auction), the Sale Hearing, the Sale Transaction, the proposed Sale Order attached to the Asset Purchase Agreement and the other relief requested in the Sale Motion was provided by the Debtors; (ii) such notice was good, sufficient and appropriate under the particular circumstances and complied with the Bidding Procedures Order; and (iii) no other or further notice of the Sale Motion, the Sale Transaction, the Bidding Procedures, the Sale Hearing, the Proposed Sale Order or any of the relief requested in the Sale Motion is required. With respect to persons whose identities are not reasonably ascertained by the Debtors, publication of the Sale Notice in **[NEWSPAPER]**, national edition on **[DATE]** was sufficient and reasonably calculated under the circumstances to reach such persons.

O. **Cure Notice.** As evidenced by the certificates of service filed with the Court, and in accordance with the provisions of the Bidding Procedures Order, the Debtors have served prior to the Sale Hearing the Assumption and Assignment Notice (as defined in the Bidding Procedures Order) on each counterparty to a Potential Transferred Agreement, dated [●], which provided notice of the related proposed Cure Costs upon each non-debtor counterparty to the Potential Transferred Agreements. The service of the Assumption and Assignment Notice was

timely, good, sufficient and appropriate under the circumstances and no further notice need be given with respect to the Cure Costs for the assumption and assignment of the Assigned Agreements, including without limitation the Designatable Leases and any Additional Contracts that were listed as Potential Transferred Agreements. All non-debtor parties to the Potential Transferred Agreements have had a reasonable opportunity to object both to the Cure Costs listed on the applicable Assumption and Assignment Notice and, for Assigned Agreements other than Designatable Leases and Additional Contracts, to the assumption and assignment of the Assigned Agreements to the Buyer. No defaults exist in the Debtors' performance under the Assigned Agreements as of the date of this Sale Order other than the failure to pay the Cure Costs, as may be required, or such defaults that are not required to be cured.

P. **Satisfaction of Section 363(f) Standards.** The Debtors may sell the Acquired Assets free and clear of all liens, claims (including those that constitute a "claim" as defined in section 101(5) of the Bankruptcy Code), rights, liabilities, mortgages, deeds of trust, pledges, charges, security interests, of whatever kind or nature, rights of first refusal, rights of offset or recoupment, royalties, conditional sales or title retention agreements, hypothecations, preferences, debts, easements, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign domestic governmental entity, taxes (including foreign, state and local taxes), covenants, restrictions, indentures, instruments, leases, options, off-sets, recoupments, claims for reimbursement or subrogation, contribution, indemnity or exoneration, encumbrances and other interests of any kind or nature whatsoever against any of the Debtors or the Acquired Assets, including, without limitation, any debts arising under or out of, in connection with, or in any way relating to, any acts or omissions, obligations, demands, guaranties, rights, contractual commitments, restrictions, product liability claims, environmental

liabilities, employment or labor law claims or liabilities, employee pension or benefit plan claims, multiemployer benefit plan claims, retiree healthcare or life insurance claims or claims for taxes of or against any of the Debtors, any claims under, or trusts or liens created by, PACA,³ and any derivative, vicarious, transferee or successor liability claims, alter ego claims, *de facto* merger claims, rights or causes of action (whether in law or in equity, under any law, statute, rule or regulation of the United States, any state, territory, or possession thereof or the District of Columbia), whether arising prior to or subsequent to the commencement of these chapter 11 cases, whether known or unknown, contingent or matured, liquidated or unliquidated, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, legal or equitable, and whether imposed by agreement, understanding, law, equity or otherwise arising under or out of, in connection with, or in any way related to any of the Debtors, any of the Debtors' interests in the Acquired Assets, the operation of any of the Debtors' businesses before the effective time of the Closing and for each Assigned Agreement, the applicable Assumption Effective Date, pursuant to the Asset Purchase Agreement, or the transfer of any of the Debtors' interests in the Acquired Assets to the Buyer, and all Excluded Liabilities (collectively, excluding any Assumed Liabilities, the "Claims"), because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code have been satisfied; provided, however, that, nothing herein shall be deemed, or construed as, a ruling or determination by this Court that the Assumed Liabilities encumber the Acquired Assets. Without limiting the generality of the foregoing, "Claims" shall include

³ "PACA" means The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or any similar state laws.

any and all liabilities or obligations whatsoever arising under or out of, in connection with, or in any way relating to: (1) any of the employee benefit plans, including any Claims related to unpaid contributions or current or potential withdrawal or termination liability; (2) any of the Debtors' collective bargaining agreements; (3) the Worker Adjustment and Retraining Notification Act of 1988; and (4) any of the Debtors' current and former employees. Those holders of Claims who did not timely object (or who ultimately withdrew their objections, if any) to the Sale Transaction or the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Claims who did object that have an interest in the Acquired Assets could be compelled in a legal or equitable proceeding to accept money satisfaction of such Claim pursuant to section 363(f)(5) or fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are therefore adequately protected by having their Claims that constitute interests in the Acquired Assets, if any, attach solely to the proceeds of the Sale Transaction ultimately attributable to the property in which they have an interest, in the same order of priority and with the same validity, force and effect that such holders had prior to the Sale Transaction, subject to any defenses of the Debtors. All persons having Claims of any kind or nature whatsoever against the Debtors or the Acquired Assets shall be forever barred, estopped and permanently enjoined from creating, perfecting, pursuing, enforcing, attaching, collecting, recovering or asserting such Claims against the Buyer or any of its assets, property, affiliates, successors, assigns, or the Acquired Assets.

Q. The Buyer would not have entered into the Asset Purchase Agreement and would not consummate the transactions contemplated thereby if the sale of the Acquired Assets was not free and clear of all Claims, if the Buyer would, or in the future could, be liable for any such Claims, including, as applicable, certain liabilities related to the Business that will not be

assumed by the Buyer, as described in the Asset Purchase Agreement, or if the Credit Bid Release or the Credit Bid were not components of the Sale Transaction. A sale of the Acquired Assets other than one free and clear of all Claims would adversely impact the Debtors, their estates and their creditors, and would yield substantially less value for the Debtors' estates, with less certainty than the Sale Transaction.

R. The total consideration to be provided under the Asset Purchase Agreement reflects the Buyer's reliance on this Sale Order to provide it, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, with title to and possession of the Acquired Assets free and clear of all Claims (including, without limitation, any potential derivative, vicarious, transferee or successor liability claims).

S. As of the Closing, the transfer of the Acquired Assets of the Debtors to the Buyer will be a legal, valid, and effective transfer of the Acquired Assets, and will vest the Buyer with all rights, title and interest of the Debtors in, and to, the Acquired Assets, free and clear of all Claims.

T. **Assumption and Assignment of Assigned Agreements.** The assumption and assignment of the Assigned Agreements are integral to the Asset Purchase Agreement, are in the best interests of the Debtors and their estates, and represent the valid and reasonable exercise of the Debtors' sound business judgment. Specifically, the assumption and assignment of the Assigned Agreements (i) is necessary to sell the Acquired Assets to the Buyer, (ii) allows the Debtors to sell their business to the Buyer as a going concern, (iii) limits the losses suffered by counterparties to the Assigned Agreements, and (iv) maximizes the recoveries to other creditors of the Debtors by limiting the amount of claims against the Debtors' estates by avoiding the rejection of the Assigned Agreements.

U. With respect to each of the Assigned Agreements, the Debtors have met all applicable requirements of section 365(b) of the Bankruptcy Code in their entirety. Further, the Buyer and/or the Debtors, in accordance with the provisions of the Asset Purchase Agreement, have cured or will cure on or before the Closing, or have provided or will provide adequate assurance of the prompt cure after the Closing (which adequate assurance may include an agreement by and between the Buyer and the counterparty to the applicable Assigned Agreement to enter into a new agreement, provided that any such agreement shall provide for the Buyer's payment of applicable Cure Costs in an amount agreed to by the Buyer and the counterparty, and provided further, that any such agreement shall require the counterparty's waiver of any and all prepetition claims against the Debtors based on the Assigned Agreement, and any damage claims arising out of the rejection of any such Assigned Agreement) of, any monetary default required to be cured with respect to the Assigned Agreements under section 365(b)(1) of the Bankruptcy Code, and the Buyer has provided adequate assurance of future performance under the Assigned Agreements in satisfaction of sections 365(b) and 365(f) of the Bankruptcy Code to the extent that any such assurance is required and not waived by the non-debtor counterparties to such Assigned Agreements. Accordingly, the Assigned Agreements may be assumed by the Debtors and assigned to the Buyer as provided for in the Asset Purchase Agreement and herein. The assumption and assignment of each Assigned Agreement is approved notwithstanding any provision in such Assigned Agreement or other restrictions prohibiting its assignment or transfer.

V. **Validity of the Transfer.** As of the Closing, the transfer of the Acquired Assets to the Buyer will be a legal, valid and effective transfer of the Acquired Assets, and will vest the Buyer with all right, title and interest of the Sellers in and to the Acquired Assets, free and clear of all Claims. The consummation of the Sale Transaction is legal, valid and properly authorized

under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f) of the Bankruptcy Code and all of the applicable requirements of such sections have been complied with in respect of the Sale Transaction.

W. **Corporate Power and Authority.** The Debtors (i) have full corporate or limited liability company (as applicable) power and authority to execute the Asset Purchase Agreement and all other documents contemplated thereby, and the Sale Transaction has been duly and validly authorized by all necessary corporate action of the Debtors, (ii) have all of the corporate or limited liability company (as applicable) power and authority necessary to consummate the transactions contemplated by the Asset Purchase Agreement, and (iii) upon entry of this Sale Order, other than any consents identified in the Asset Purchase Agreement (including with respect to antitrust matters), need no consent or approval from any other person to consummate the Sale Transaction.

X. **Valid and Binding Contract.** The Asset Purchase Agreement is a valid and binding contract between the Debtors and the Buyer and shall be enforceable pursuant to its terms. The Asset Purchase Agreement and Related Agreements were not entered into for the purpose of hindering, delaying or defrauding the Debtors' present or future creditors under the Bankruptcy Code or under laws of the United States, any state, territory, possession or the District of Columbia. None of the Debtors nor the Buyer is or will be entering into the Asset Purchase Agreement and transactions contemplated therein fraudulently (including with respect to statutory or common law fraudulent conveyance or fraudulent transfer claims, whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof or the District of Columbia or any other applicable jurisdiction with laws substantially

similar to the foregoing) or for an otherwise improper purpose. The Asset Purchase Agreement and the Sale Transaction itself, and the consummation thereof shall be specifically enforceable against and binding upon (without posting any bond) the Debtors, any chapter 7 or chapter 11 trustee appointed in these chapter 11 cases, and shall not be subject to rejection or avoidance by the foregoing parties or any other person.

Y. The Sale Transaction does not constitute a de facto plan of reorganization or liquidation as it does not propose to (i) impair or restructure existing debt of, or equity interests in, the Debtors, (ii) impair or circumvent voting rights with respect to any plan proposed by the Debtors, (iii) circumvent chapter 11 safeguards, such as those set forth in sections 1125 and 1129 of the Bankruptcy Code, or (iv) classify claims or equity interests or extend debt maturities. Entry into the Asset Purchase Agreement and the Sale Transaction neither impermissibly restructures the rights of the Debtors' creditors, nor impermissibly dictate the terms of a chapter 11 plan for the Debtors. Entry into the Asset Purchase Agreement does not constitute a sub rosa chapter 11 plan.

Z. **Valid and Binding Release.** The proposed compromise and resolution embodied in the Credit Bid Release (as defined below and as reflected in Section 9.13 of the Asset Purchase Agreement) is reasonable and appropriate and a valid exercise of the Debtors' business judgment and the consideration provided for in the Asset Purchase Agreement, including the Credit Bid Release Consideration constitutes fair and appropriate consideration for the Credit Bid Release. The Credit Bid Release is required by the Buyer in order to enter into and perform in accordance with the Sale Transaction and providing such release is in the best interests of the Debtors, their estates, creditors and other parties in interest. The Claims and actions released

through the Credit Bid Release are complex and in the absence of the release would involve extended and expensive litigation, the outcome of which would be uncertain.

AA. **Debtor Authorization of Non-Debtor Subsidiary Action or Inaction.** The proposed Sale Transaction requires certain of the Debtors to take certain actions with respect to Sears Re, KCD IP, LLC and the other Foreign Subsidiaries. As further described in the Asset Purchase Agreement, the Sale Transaction contemplates the purchase of the KCD Notes, and accordingly, requires Debtor authorization of Sears Re's sale of the KCD Notes to Buyer (the "KCD Notes Purchase"). The Buyer has the right to terminate the Asset Purchase Agreement if Sears Re has not agreed to be bound by the terms of the Asset Purchase Agreement as a Seller by 11:59 p.m. New York City time on January 22, 2019. Additionally, as further described in Section 9.14 of the Asset Purchase Agreement, and each to the extent provided for in and in accordance with the Asset Purchase Agreement, the Sale Transaction contemplates (i) certain restrictions upon Sellers' and their Affiliates' (including KCD IP, LLC's) ability to sell, transfer, assign, encumber, license, sublicense or otherwise grant certain rights or take or fail to take certain actions related to the KCD IP or to amend, terminate, renew or fail to take certain actions with respect to, certain Contracts related to the KCD IP (the "KCD IP Restrictions"), (ii) Sellers' use of reasonable best efforts to (a) cause KCD IP, LLC to grant, effective as of the Closing, the Exclusive License (the "KCD Exclusive License Right"), or (b) if KCD IP, LLC has not agreed to grant the Buyer the Exclusive License in accordance with the Asset Purchase Agreement, at the Buyer's election, obtain any Consent from KCD IP, LLC necessary to assign to the Buyer those KCD Agreements that are designated for assignment and assumption by written notice of the Buyer and assume and assign to Buyer such KCD Agreements to the Buyer (the "KCD Consent Right"), (iii) if the KCD Consent Right is not obtained in accordance with the Asset

Purchase Agreement despite Sellers' reasonable best efforts, Sellers' assumption of all KCD Agreements that provide Sellers with the right to sublicense KCD IP to the Buyer that are designated only for assumption by written notice of the Buyer, and Sellers' granting of a sublicense under the KCD IP to the Buyer in accordance with the Asset Purchase Agreement (the "KCD Sublicense Right"), (iv) prior to such time that the BMA Consent is obtained, the Buyer shall provide services to the Sellers sufficient to perform the PA Liability in exchange for which the Sellers shall pay certain consideration to the Buyer (the "KCD Servicing Right") (v) restrictions on Sellers' and their Affiliates' ability to sell, assign or transfer in any way any equity interests in KCD IP, LLC without requiring a condition that the purchaser in such sale, assignment or transfer agrees to the limitations set forth in Section 9.14 of the Asset Purchase Agreement (the "KCD Equity Transfer Restriction Right" and together with the KCD Sublicense Right, KCD IP Restrictions, the KCD Exclusive License Right and the KCD Consent Right, the "KCD IP Related Rights") and (vi) the Sellers' obligation to transfer the KCD Notes and the Buyer's obligation to assume the PA liabilities is dependent upon obtaining the BMA Consent. Furthermore, the Sellers have agreed to use reasonable best efforts to cause each of the Foreign Subsidiaries to, among other things, sell, transfer, assign, convey and deliver, or cause to be sold, transferred, assigned, conveyed and delivered to the Buyer or the applicable Assignee, all right, title and interest of each of the Foreign Subsidiaries in, to or under the Acquired Foreign Assets (the "Foreign Assets Rights"). Each of the KCD Notes Purchase, the KCD IP Related Rights and the Foreign Assets Rights are required by Buyer and are reasonable and appropriate exercises of the Debtors' business judgment and the consideration provided by the Buyer (including the assumption of the Assumed Liabilities) constitutes fair and appropriate consideration to the Debtors and the appropriate non-debtor subsidiaries.

BB. **Waiver of Bankruptcy Rules 6004(h) and 6006(d).** The sale of the Acquired Assets must be approved and consummated promptly in order to preserve the value of the Acquired Assets. Therefore, time is of the essence in consummating the Sale Transaction, and the Debtors and the Buyer intend to close the Sale Transaction as soon as reasonably practicable. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the immediate approval and consummation of the Sale Transaction as contemplated by the Asset Purchase Agreement. Accordingly, there is cause to lift the stay contemplated by Bankruptcy Rules 6004(h) and 6006(d) with regards to the transactions contemplated by this Sale Order.

CC. **Personally Identifiable Information.** As contemplated in the Bidding Procedures Order, and subject to the terms of this Sale Order, the sale to the Buyer under the Asset Purchase Agreement of any personally identifiable information (as such term is defined in section 101(41A) of the Bankruptcy Code) and private health information about individuals is either consistent with the privacy policy of the Debtors in effect on the date of commencement of these chapter 11 cases or consistent with the recommendations of any consumer privacy ombudsman appointed in these chapter 11 cases and satisfies the requirements of section 363(b)(1)(A).

DD. **Legal and Factual Bases.** The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein.

EE. **Necessity of Order.** The Buyer would not consummate the transactions without all of the relief provided for in this Sale Order.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. **Motion is Granted.** The Sale Motion and the relief requested therein to the extent not previously granted by this Court pursuant to the Bidding Procedures Order is granted and approved as set forth herein.

2. The Court's findings of fact and conclusions of law in the Bidding Procedures Order and the record of the hearing with respect to that order are incorporated herein by reference.

3. **Objections Overruled.** All objections (except for Cure Objections, if any, that have been adjourned solely to the extent such objections relate to any asserted cure obligations pursuant to section 365(b) of the Bankruptcy Code), if any, to the Sale Motion or the relief requested therein, and any joinders thereto, that have not been withdrawn with prejudice, waived, settled, or otherwise resolved as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits and with prejudice. All holders of Claims or other persons and entities that failed to timely object, or withdrew their objections to the Sale Motion or this Sale Order are deemed to consent to the relief granted herein for all purposes, including pursuant to section 363(f)(2) of the Bankruptcy Code. Each holder of any Claim against the Debtors, their estates, or any of the Acquired Assets: (i) has, subject to the terms and conditions of this Sale Order, consented to the Sale Transaction or is deemed to have consented to the Sale Transaction; (ii) could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such Claim; or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code.

4. **Notice.** Notice of the Motion and the Sale Hearing was adequate, appropriate, fair and equitable under the circumstances and complied in all respects with section 102(1) of the

Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006, and the Amended Case Management Order.

5. **Fair Purchase Price.** The consideration provided by the Buyer under the Asset Purchase Agreement, including the portion of the Purchase Price that is the Credit Bid Amount, the Credit Bid Release Consideration and the Buyout Option is fair and reasonable and constitutes (i) reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act, (ii) fair consideration under the Uniform Fraudulent Conveyance Act, and (iii) reasonably equivalent value, fair consideration and fair value under any other applicable laws of the United States, any state, territory or possession or the District of Columbia. The Credit Bid constitutes a valid, duly authorized credit bid and is proper under the Bidding Procedures Order, sections 363(b) and 363(k) of the Bankruptcy Code, the applicable Prepetition Loan Documents (as defined in the Final DIP Order) and applicable law. The consideration given by the Buyer shall constitute valid and valuable consideration for the Credit Bid Release and the releases of any potential claims of successor or transferee liability of the Buyer Related Parties, which releases shall be deemed to have been given in favor of the Buyer Related Parties by all holders of Claims.

6. **Approval of the Asset Purchase Agreement.** The Asset Purchase Agreement, all ancillary documents filed therewith or described therein, the Credit Bid and all other transactions contemplated therein (including, but not limited to, all ancillary agreements contemplated thereby) and all of the terms and conditions thereof, including, without limitation, the credit bid pursuant to section 363(k) of the Bankruptcy Code of the Credit Bid Amount as described in the Asset Purchase Agreement, are hereby approved. The failure specifically to include any particular provision of the Asset Purchase Agreement in this Sale Order shall not

diminish or impair the effectiveness of such provision, it being the intent of the Court that the Asset Purchase Agreement (including, but not limited to, all ancillary agreements and Related Agreements contemplated thereby) be authorized and approved in its entirety.

7. **Approval of the Release.** As set forth in Section 9.13 of the Asset Purchase Agreement:

(a) Effective upon the Closing, in consideration for the payment by Buyer of the Credit Bid Release Consideration, and other good and valuable consideration provided to the Debtors and their estates by ESL in connection with the Transactions, each Debtor, for itself and its estate, and on behalf of each of its Subsidiaries and controlled Affiliates (each of the foregoing, a “Seller Releasing Party”), hereby absolutely, unconditionally and irrevocably (i) releases and forever discharges ESL from any and all Released Estate Claims, whether foreseen or unforeseen, contingent or actual, and whether now known or hereafter discovered, which any of the Seller Releasing Parties ever had or now may have, and (ii) covenants that it shall not seek to disallow, subordinate, recharacterize, avoid, challenge, dispute or collaterally attack the ESL Claims, provided however that the assertion of any Claim other than a Released Estate Claim shall not be deemed to violate Section 9.13(a)(ii) of the Asset Purchase Agreement.

(b) Effective upon the Closing, ESL’s Claims against the Debtors arising under (i) the IP/Ground Lease Term Loan Facility; (ii) the FILO Facility; (iii) the Real Estate Loan 2020; (iv) the Second Lien Term Loan; (v) the Second Lien Line of Credit Facility; (vi) the Second Lien PIK Notes and (vii) the Citi L/C Facility (together with the any security interests securing any of the Claims described in the preceding sub-clauses (b)(i)-(vi), collectively, the “ESL Claims”) shall each be deemed allowed for all purposes in the Bankruptcy

Cases and under the Bankruptcy Code in the amounts set forth on Exhibit G to the Asset Purchase Agreement, as reduced by the credit bid set forth in Section 3.1(b) of the Asset Purchase Agreement.

(c) After giving effect to the credit bid set forth in Section 3.1(b) of the Asset Purchase Agreement, ESL shall be entitled to assert any deficiency Claims, Claims arising under Section 507(b) of the Bankruptcy Code, or other Claims and causes of action that it may have against the Debtors and their estates in the Chapter 11 Cases, provided that (i) no Claims or causes of action of ESL shall have recourse to, or any other right of recovery from, any Claims or causes of action of the Debtors or their estates related to Lands' End, Inc., the "spin-off" (as such term is defined in the Information Statement of Lands' End, Inc. dated March 18, 2014), Seritage Growth Properties, Inc., Seritage Growth Properties, L.P, the "Transaction" (as that term is defined in the registration statement on Form S-11 filed by Seritage Growth Properties, which registration statement became effective on June 9, 2015), any Claim or cause of action involving any intentional misconduct by ESL, or the proceeds of any of the foregoing, (ii) any ESL Claims arising under Section 507(b) of the Bankruptcy Code shall be entitled to distributions of not more than \$50 million from the proceeds of any Claims or causes of action of the Debtors or their estates other than the Claims and causes of action described in the preceding clause (c)(i); provided that, in the event that, in the absence of this clause (c)(ii), any such proceeds to the Debtors or their estates would have resulted in distributions in respect of such ESL Claims in excess of \$50 million, the right to receive such distributions in excess of \$50 million shall be treated as an unsecured claim and receive pro rata recoveries with general unsecured claims other than the Claims and causes of action described in the preceding clause (c)(i), and (iii) notwithstanding any order of the Bankruptcy Court to the contrary or section 1129

of the Bankruptcy Code, it shall not be a condition to confirmation of any chapter 11 plan filed in the Bankruptcy Cases that any ESL Claims arising under Section 507(b) of the Bankruptcy Code be paid in full or in part.

(d) Section 9.13 of the Asset Purchase Agreement, and all statements or negotiations relating hereto, shall be governed by Federal Rule of Evidence 408 and any corresponding state rules of evidence. Without limiting the foregoing, neither Section 9.13 of the Asset Purchase Agreement nor any statements or negotiations relating hereto shall be offered or received in evidence in any proceeding for any purpose other than to enforce the terms of this Section 9.13.

(e) The release set forth in Section 9.13 of the Asset Purchase Agreement and in paragraphs 7(a)-(d) hereof shall be referred to herein as the “Credit Bid Release”. The Credit Bid Release is hereby approved in its entirety and the Credit Bid Release Consideration and the other consideration provided by Buyer pursuant to the Asset Purchase Agreement is found to be fair consideration for the Credit Bid Release. The Seller Releasing Parties and the Buyer Related Parties are authorized and directed to perform under the Credit Bid Release pursuant to its terms and to take any and all actions, including, without limitation, execution and delivery of any documents or papers as may be reasonably necessary to perform or appropriate to implement their obligations arising under the Credit Bid Release.

8. **Approval of Debtor Authorization of Non-Debtor Subsidiary Action or Inaction.** The KCD Notes Purchase, the KCD IP Related Rights and the Foreign Assets Rights are hereby approved in their entirety and the consideration provided by the Buyer pursuant to the Asset Purchase Agreement is found to be fair and reasonable consideration for the KCD Notes Purchase, the KCD IP Related Rights and the Foreign Assets Rights. The Sellers and the Buyer

are authorized and directed to perform in accordance with the Asset Purchase Agreement, their obligations with respect to the KCD Notes Purchase, the KCD IP Related Rights, and the Foreign Assets rights, including to take any and all actions, including, without limitation, execution and delivery of any documents or papers as may be reasonably necessary to perform or appropriate to implement their obligations arising with respect to the KCD Notes Purchase, the KCD IP Related Rights and the Foreign Assets Rights. As and to the extent necessary, the Debtors are hereby authorized in accordance with sections 105(a) and 365 of the Bankruptcy Code to assume and assign or only assume any or all of the KCD Agreements in accordance with Section 9.14(c) or Section 9.14(d) and to execute and deliver to the Buyer, or cause KCD IP, LLC to execute and deliver to Buyer, such documents or other instruments as may be necessary to license or sublicense the KCD IP to the Buyer as provided in the Asset Purchase Agreement.

9. **Consummation of Sale Transaction.** Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors, as well as their officers, employees and agents, are authorized to enter into, execute, deliver and perform their obligations under and comply with the terms of the Asset Purchase Agreement and the Related Agreements and to close and consummate the Sale Transaction, including by taking any and all actions as may be reasonably necessary or desirable to implement the Sale Transaction and each of the transactions contemplated thereby pursuant to and in accordance with the terms and conditions of the Asset Purchase Agreement, the Related Agreements and this Sale Order.

10. The Debtors, their affiliates and their respective officers, employees and agents, are authorized to execute and deliver, and authorized to perform under, consummate and implement all additional instruments and documents that may be necessary or desirable to implement the Asset Purchase Agreement and Related Agreements, including the transfer and

the assignment of all the Acquired Assets, and the assumption and assignment of all the Assigned Agreements, and to take all further actions as may be (i) reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to the Buyer's possession, the Acquired Assets or (ii) necessary or appropriate to the performance of the obligations contemplated by the Asset Purchase Agreement or to implement the Sale Transaction, including pursuant to this Sale Order, all without further order of the Court.

11. All persons that are currently in possession of some or all of the Acquired Assets are hereby directed to surrender possession of such Acquired Assets to the Buyer as of the Closing or at such time as the Buyer requests. To the extent required by the Asset Purchase Agreement, the Debtors agree to exercise commercially reasonable efforts to assist the Buyer in assuring that all persons that are presently, or on the Closing Date may be, in possession of some or all of the Acquired Assets will surrender possession of the Acquired Assets to either (i) the Debtors before the Closing Date or (ii) the Buyer on or after the Closing Date.

12. All persons are prohibited from taking any action to adversely affect or interfere with the ability of the Debtors to transfer the Acquired Assets to the Buyer in accordance with the Asset Purchase Agreement and this Sale Order; provided that the foregoing restriction shall not prevent any party from appealing this Sale Order in accordance with applicable law or opposing any appeal of this Sale Order.

13. Each Assignee has provided or will provide, as applicable, adequate assurance of future performance of and under the Designated Agreements, within the meaning of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code.

14. **Direction to Creditors and Parties in Interest.** On the Closing, each of the Debtors' creditors and the holders of any Claims are authorized and directed to execute such documents and take all other actions as may be necessary to terminate, discharge or release their Claims in the Acquired Assets, if any, as such Claims may otherwise exist.

15. **Direction to Government Agencies.** Each and every filing agent, filing officer, title agent, recording agency, governmental department, secretary of state, federal, state and local official, and any other person and entity who may be required by operation of law, the duties of its office or contract, to accept, file, register, or otherwise record or release any documents or instruments or who may be required to report or insure any title in or to the Acquired Assets, is hereby authorized and directed to accept any and all documents and instruments necessary and appropriate to consummate the Sale Transaction contemplated by the Asset Purchase Agreement and approved by this Sale Order.

16. **Assumption of Protection Agreement Obligations.** Pursuant to and in accordance with Section 2.3(e) of the Asset Purchase Agreement, the Buyer has expressly assumed Sellers' obligations (the "Assumed Protection Agreement Obligations") with respect to warranties and protection agreements or other services contracts (other than warranties relating to Intellectual Property) for the goods and services of Sellers sold or performed prior to the Closing, including any obligations owed by Sears Re to any Seller in respect of reinsurance of such warranties and protection agreements (collectively, the "Assumed Protection Agreements"). To the fullest extent permitted by applicable law, the Buyer is authorized to operate in place of the Sellers with respect to the Assumed Protection Agreements and to take any actions contemplated to be taken by the Sellers thereunder, including collecting any amounts payable by any counterparty to any such Assumed Protection Agreement and performing the Assumed

Protection Agreement Obligations. The court hereby orders that the Sellers and all other parties in interest shall cooperate in respect of Buyer's operation in place of the Sellers under the Assumed Protection Agreements, including, without limitation, by furnishing such documents or records as are necessary to the Buyer to perform the Assumed Protection Agreement Obligations without interruption. Moreover, except for good cause based on violations of Law unrelated to the assumption by the Buyer of the Assumed Protection Agreement Obligations occurring pursuant to the Asset Purchase Agreement and this Sale Order, no regulatory agency (including, without limitation, any state insurance regulator) shall interrupt Buyer's performance of the Assumed Protection Agreement Obligations from and after the Closing Date without first obtaining relief from this Court. The Buyer may continue to perform the Assumed Protection Agreement Obligations under any existing licenses or permits of the Sellers, with no interruption of the right of the Buyer to so perform, until any required licenses and permits have been transferred to the Buyer by Sellers, or new licenses and permits have been issued to the Buyer.

17. **Transfer of the Acquired Assets Free and Clear.** Pursuant to sections 105(a), 363(b), 363(f) and 365 of the Bankruptcy Code, the Debtors are authorized to transfer the Acquired Assets, including, without limitation, Designated Agreements (as defined below) in accordance with the terms of the Asset Purchase Agreement. The Acquired Assets shall be transferred to the Buyer in accordance with the terms of the Asset Purchase Agreement, and upon the Closing, such transfer shall: (i) be valid, legal, binding and effective; (ii) vest the Buyer with all right, title and interest of the Debtors in the Acquired Assets; and (iii) be free and clear of all Claims (including Claims of any Governmental Authority) in accordance with section 363(f) of the Bankruptcy Code, with the net proceeds of the Sale Transaction from the Acquired Assets upon which the DIP ABL Lenders (as defined in the Final DIP Order) have a first lien

being used to repay in full in cash all DIP ABL Secured Obligations (as defined in the Final DIP Order) on the Closing and all other Claims that represent interests in property shall attach to the net proceeds of the Sale Transaction, in the same order of their priority and with the same validity, force and effect which they now have against the Acquired Assets, subject to any claims and defenses the Debtors may possess with respect thereto, in each case immediately before the Closing. The cash portion of the Purchase Price, to the extent payable, that is paid in connection with a Buyout Option shall be deposited and held in segregated accounts in accordance with Section 3.1 of the Asset Purchase Agreement with the Liens of any lenders other than Buyer or Affiliates attaching to the cash proceeds held in the applicable designated segregated account in the same order of priority and with the same validity, force and effect as the original Liens of such lenders, and such proceeds shall be released to such lenders within two business days following the Closing Date and shall not otherwise be used by the Debtors without further order of the Bankruptcy Court.

18. This Sale Order (i) shall be effective as a determination that, as of the Closing, all Claims have been unconditionally released, discharged and terminated as to the Buyer Related Parties and the Acquired Assets, and that the conveyances and transfers described herein have been effected, and (ii) is and shall be binding upon and govern the acts of all persons, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, county and local officials and all other persons who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments that reflect that the Buyer is the assignee and owner of the Acquired Assets free and clear of all Claims, or who may be required to report or insure any

title or state of title in or to any lease (all such entities being referred to as “Recording Officers”). All Recording Officers are authorized and specifically directed to strike recorded Claims against the Acquired Assets recorded prior to the date of this Sale Order. A certified copy of this Sale Order may be filed with the appropriate Recording Officers to evidence cancellation of any recorded Claims against the Acquired Assets recorded prior to the date of this Sale Order. All Recording Officers are hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement.

19. Following the Closing, no holder of any Claim shall interfere with the Buyer’s title to or use and enjoyment of the Acquired Assets based on or related to any such Claim or based on any actions the Debtors may take in these chapter 11 cases.

20. Except as expressly set forth in the Asset Purchase Agreement, the Buyer Related Parties and their successors and assigns shall have no liability for any Claim or Excluded Liabilities, whether known or unknown as the Closing Date, now existing or hereafter arising, whether fixed or contingent, whether derivatively, vicariously, as a transferee, successor, alter ego, or otherwise, of any kind, nature or character whatsoever, by reason of any theory of law or equity, including Claims or Excluded Liabilities arising under, without limitation: (i) any employment or labor agreements or the termination thereof relating to the Debtors; (ii) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of or related to any of the Debtors or any Debtor’s affiliates or predecessors or any current or former employees of any of the foregoing, including, without limitation, the Employee Plans and any participation or other agreements related to the Employee Plans, or the termination of any of the foregoing; (iii) the

Debtors' business operations or the cessation thereof; (iv) any litigation involving one or more of the Debtors; and (v) any employee, workers' compensation, occupational disease or unemployment or temporary disability related law, including, without limitation, claims that might otherwise arise under or pursuant to (A) the Employee Retirement Income Security Act of 1974, as amended, (B) the Fair Labor Standards Act, (C) Title VII of the Civil Rights Act of 1964, (D) the Federal Rehabilitation Act of 1973, (E) the National Labor Relations Act, (F) the Worker Adjustment and Retraining Notification Act of 1988, (G) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (H) the Americans with Disabilities Act of 1990, (I) the Consolidated Omnibus Budget Reconciliation Act of 1985, (J) the Multiemployer Pension Plan Amendments Act of 1980, (K) state and local discrimination laws, (L) state and local unemployment compensation laws or any other similar state and local laws, (M) state workers' compensation laws or (N) any other state, local or federal employee benefit laws, regulations or rules or other state, local or federal laws, regulations or rules relating to, wages, benefits, employment or termination of employment with any or all Debtors or any predecessors; (O) any antitrust laws; (P) any product liability or similar laws, whether state or federal or otherwise; (Q) any environmental laws, rules, or regulations, including, without limitation, under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601, et seq., or similar state statutes; (R) PACA; (S) any bulk sales or similar laws; (T) any federal, state or local tax statutes, regulations or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (U) any common law doctrine of *de facto* merger or successor or transferee liability, successor-in-interest liability theory or any other theory of or related to successor liability.

21. If any person that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing Claims against or in the Debtors or the Acquired Assets shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or, as appropriate, releases of all Claims (collectively, the "Release Documents") the person has with respect to the Debtors or the Acquired Assets or otherwise, then with regard to the Acquired Assets that are purchased by the Buyer pursuant to the Asset Purchase Agreement and this Sale Order (i) the Debtors are hereby authorized and directed to, and the Buyer is hereby authorized to, execute and file such statements, instruments, releases and other documents on behalf of the person with respect to the Acquired Assets, (ii) the Buyer is hereby authorized to file, register or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Claims against the Acquired Assets and (iii) the Buyer may seek in this Court or any other court to compel appropriate persons to execute termination statements, instruments of satisfaction, and releases of all Claims with respect to the Acquired Assets other than liabilities expressly assumed under the Asset Purchase Agreement; provided that, notwithstanding anything in this Sale Order or the Asset Purchase Agreement to the contrary, the provisions of this Sale Order shall be self-executing, and neither the Sellers nor Buyer shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Sale Order. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, county or local government agency, department or office.

22. On the Closing Date, this Sale Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Acquired Assets acquired under the Asset Purchase Agreement or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in all of the Acquired Assets to the Buyer.

23. To the maximum extent available under applicable law and to the extent provided for under the Asset Purchase Agreement, the Buyer and its Affiliated Designees shall be authorized, as of the applicable Assumption Effective Date, to operate under any license, permit, registration and governmental authorization or approval of the Debtors with respect to the Acquired Properties, the other Acquired Assets, the Occupancy Leased Premises (as defined in the Occupancy Agreement) and the Sparrow Properties and, to the maximum extent available under applicable law and to the extent provided for under the Asset Purchase Agreement, all such licenses, permits, registrations and governmental authorizations and approvals are deemed to have been transferred to the Buyer or its Applicable Designee as of the applicable Assumption Effective Date. All existing licenses or permits applicable to the business shall remain in place for the Buyer's and its Affiliated Designees' benefit until either new licenses and permits are obtained or existing licenses and permits are transferred in accordance with applicable administrative procedures and, in furtherance thereof, the Management Services to be provided to the Buyer and its Affiliated Designees pursuant to Section 8.8(b) of the Asset Purchase Agreement are hereby approved in their entirety. Moreover, except for good cause based on violations of Law unrelated to the assumption by the Buyer and its Affiliated Designees of the existing licenses and permits applicable to the business occurring pursuant to the Asset Purchase Agreement and this Sale Order, no licensing or permitting authority or other regulatory agency

shall interrupt Buyer's or any Affiliated Designee's operation of the business, or refuse to renew any license, permit, or authorization to operate the Acquired Assets, from and after the Closing Date without first obtaining relief from this Court.

24. **No Successor or Other Derivative Liability.** By virtue of the Sale Transaction, the Buyer Related Parties and their affiliates, successors and assigns shall not be deemed or considered to: (i) be a legal successor, or otherwise be deemed a successor to any of the Debtors, (ii) have, *de facto* or otherwise, merged with or into any or all Debtors, (iii) be a consolidation with the Debtors or their estates or (iv) be an alter ego or a continuation or substantial continuation, or be holding itself out as a mere continuation, of any of the Debtors or their respective estates, businesses or operations, or any enterprise of the Debtors, in each case by any law or equity, and the Buyer Related Parties have not assumed nor are they in any way responsible for any liability or obligation of the Debtors or the Debtors' estates, except with respect to the Assumed Liabilities. Except as expressly set forth in the Asset Purchase Agreement, the Buyer and its affiliates, successors and assigns shall have no successor, transferee or vicarious liability of any kind or character, including, without limitation, under any theory of foreign, federal, state or local antitrust, environmental, successor, tax, ERISA, assignee or transferee liability, labor, product liability, employment, *de facto* merger, substantial continuity, or other law, rule, regulation or doctrine, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to the Closing Date, including, without limitation, liabilities on account of any taxes or other Governmental Authority fees, contributions or surcharges, in each case arising, accruing or payable under, out of, in connection with, or in any way relating to, the

operation of the Acquired Assets prior to the Closing Date or arising based on actions of the Debtors taken after the Closing Date.

25. **Assumption and Assignment of Assigned Agreements.** Subject to and conditioned upon the occurrence of the Closing Date, the Debtors are hereby authorized in accordance with sections 105(a) and 365 of the Bankruptcy Code to assume and assign the Assigned Agreements to the Buyer free and clear of all Claims, and to execute and deliver to the Buyer such documents or other instruments as may be necessary to assign and transfer the Assigned Agreements to the Buyer as provided in the Asset Purchase Agreement. Upon the applicable Assumption Effective Date with respect to an Assigned Agreement, the Buyer shall be fully and irrevocably vested with all rights, title and interest of the Debtors under such Assigned Agreement and, pursuant to section 365(k) of the Bankruptcy Code, the Debtors shall be relieved from any further liability with respect to such Assigned Agreement. Buyer acknowledges and agrees that from and after the applicable Assumption Effective Date with respect to an Assigned Agreement, subject to and in accordance with the Asset Purchase Agreement, it shall comply with the terms of each of such Assigned Agreement in its entirety, including any indemnification obligations expressly contained in such Assigned Agreement that could arise as a result of events or omissions that occur from and after the Closing, unless any such provisions are not enforceable pursuant to the terms of this Sale Order. The assumption by the Debtors and assignment to the Buyer of any Assigned Agreement shall not be a default under such Assigned Agreement; provided that with respect to liabilities from any Assumed 503(b)(9) Claims, Buyer shall not be obligated to make any payments in respect of such liabilities until the earlier of (i) the date that is 120 days following the closing of the sale and (ii) the date on which a chapter 11 plan is confirmed by the Court with respect to the Debtors; provided further that with respect to

the liabilities from any Other Payables, Buyer shall not be obligated to make any payments in respect of such liabilities until the later of (i) the date of the closing of the sale and (ii) the date that the applicable obligation thereunder becomes due in the ordinary course of business; provided further, and for the avoidance of doubt, the Buyer's agreement to pay Assumed 503(b)(9) Claims, Specified Payables, or any other administrative or priority claim of the Sellers pursuant to the terms of the Asset Purchase Agreement is a general unsecured contractual obligation of the Buyer owed solely to the Sellers.

26. All Cure Costs that have not been waived by, or that have not been otherwise addressed in an alternate arrangement with, any non-debtor party to an Assigned Agreement shall be determined in accordance with the Bidding Procedures Order or other applicable order of this Court, and, as required by the Asset Purchase Agreement, (i) paid in cash by the Buyers and/or the Debtors, on or before the Closing, or (ii) adequate assurance of the payment in cash promptly after the Closing has been provided (which adequate assurance may include an agreement by and between the Buyer and the counterparty to the applicable Assigned Agreement to enter into a new agreement, provided that any such agreement shall provide for the Buyer's payment of applicable Cure Costs in an amount agreed to by the Buyer and the counterparty, and provided further, that any such agreement shall require the counterparty's waiver of any and all prepetition claims against the Debtors based on the Assigned Agreement, and any damage claims arising out of the rejection of any such Assigned Agreement), and the Debtors shall have no liability therefor in accordance with the terms of the Asset Purchase Agreement on the applicable Assumption Effective Date. Payment of the Cure Costs by the Debtors and the Buyers shall (i) be in full satisfaction and cure of any and all defaults under the Assigned Agreements, whether monetary or non-monetary and (ii) compensate the non-Debtor counterparty for any actual

pecuniary loss resulting from such defaults. Each non-Debtor party to an Assigned Agreement is forever barred, estopped and permanently enjoined from asserting against the Debtors or the Buyer, their affiliates, successors or assigns or the property of any of them, any default existing as of the date of the Sale Hearing if such default was not raised or asserted prior to or at the Sale Hearing. Nothing in this Sale Order shall affect the rights of the Buyer, to add or remove any Potential Transferred Agreement to or from the list of Assigned Agreements set forth in the Asset Purchase Agreement in accordance with the terms thereof. All of the requirements of sections 365(b) and 365(f) of the Bankruptcy Code have been satisfied for the assumption by the Debtors, and the assignment by the Debtors to the Buyer, of each of the Assigned Agreements, other than the demonstration of adequate assurance of future performance with respect to the Designatable Leases and the Additional Contracts.

27. To the extent a counterparty to an Assigned Agreement failed to timely object to a Cure Cost, such Cure Cost has been and shall be deemed to be finally determined and any such counterparty shall be prohibited from challenging, objecting to or denying the validity and finality of the Cure Cost at any time and any proof of claim filed or to be filed with respect to any prepetition default under an Assigned Agreement shall be deemed expunged with prejudice.

28. An Adjourned Cure Objection (as such term is defined in the Bidding Procedures Order) may be resolved after the Closing; provided that the Debtors maintain the Reserve Amount (as such term is defined in the Bidding Procedures Order). Upon resolution of such Adjourned Cure Objection and the payment of the applicable Cure Cost, if any, the applicable Assigned Agreement that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the Buyer as of the Assumption Effective Date without further order of

the Court, and Debtors' shall have no obligation to maintain the Cure Cost Reserve with respect to such Assigned Agreement.

29. **Designation Rights Procedures.** The Debtors are authorized, at the direction of the Buyer pursuant to the Asset Purchase Agreement, to seek to assume and to assign pursuant to sections 363 and 365 of the Bankruptcy Code, the Designatable Leases and any Additional Contracts that the Buyer designates for assumption and assignment in accordance with Section 2.9 of the Asset Purchase Agreement to a designated Assignee. Each of the Designatable Leases and Additional Contracts constitutes an unexpired lease or executory contract within the meaning of section 365 of the Bankruptcy Code and, at the Buyer's election, will be deemed assumed and assigned by the Debtors effective in accordance with the timing set forth in the Asset Purchase Agreement and the procedures set forth in the Asset Purchase Agreement and herein. The assumption of any liabilities under a Designatable Lease or Additional Contract that is assumed by an Assignee shall constitute a legal, valid and effective delegation of all liabilities thereunder to the applicable Assignee and, following payment of any Cure Costs related thereto and except as expressly set forth in the Asset Purchase Agreement or this Sale Order, shall divest the Debtors of all liability with respect to such Designatable Lease or Additional Contract for any breach of such Designatable Lease occurring after the applicable Designation Assignment Date or any breach of such Additional Contract after the applicable date on which such Additional Contract is assigned to the applicable Assignee in accordance with Section 2.9 of the Asset Purchase Agreement (the "Additional Contract Assignment Date").

30. The Debtors served all counterparties to the Designatable Leases and Additional Contracts listed as Potential Transferred Agreements ("Designatable Contract Counterparties") with an Assumption and Assignment Notice and the deadline to object to the Cure Costs has

passed. Accordingly, unless an objection to the proposed Cure Costs was filed and served before the Cure Objection deadline, the applicable Designatable Contract Counterparty is forever barred from objecting to the Cure Costs and from asserting any additional cure or other amounts with respect to the applicable Designatable Lease or Additional Contract in the event it is assumed and/or assigned by an Assignee; provided, however, that in the event that an Additional Contract was not listed as a Potential Transferred Agreement, and accordingly, no Assumption and Assignment notice was served upon the applicable Designatable Contract Counterparty, such Designatable Contract Counterparty shall have eight (8) days following after the date on the applicable supplemental Assumption and Assignment Notice is filed with the Court and served on the applicable Designatable Contract Counterparty (the “Supplemental Additional Contract Cure Objection Deadline”), to (a) object to the applicable proposed Cure Costs for such Additional Contract (the “Supplemental Additional Contract Cure Cost Objection”) and to (b) serve the Supplemental Additional Contract Cure Cost Objection (by email, facsimile or hand delivery) so that it is actually received by counsel for the Debtors and the Buyer on or before the Supplemental Additional Contract Cure Objection Deadline.

31. If any objection to the proposed Cure Costs was filed and served before the Cure Objection deadline, the Debtors, the Buyer and the applicable Designatable Contract Counterparty shall have authority to compromise, settle or otherwise resolve any objections to proposed Cure Costs without further order of the Court. If the Debtors, the Buyer and the applicable Designatable Contract Counterparty determine that the objection cannot be resolved without judicial intervention, then the determination of the proposed Cure Costs with respect to such Designatable Lease or Additional Contract will be determined by the Court. Other than with respect to objections to the proposed Cure Costs as set forth in Paragraph 30 above and the

limitations set forth in Paragraphs 35 and 36 below, all Contract Lease Counterparties' rights under section 365 with respect to the assumption and assignment of the Designatable Leases and Additional Contracts pursuant to the Bankruptcy Code (including, without limitation, as to the provision of adequate assurance of future performance) are reserved pending delivery of a Buyer Assumption Notice or a notice pursuant to Section 2.9 of the Asset Purchase Agreement (a "Section 2.9 Assumption Notice") and the procedures set forth in Paragraphs 35 and 36 below.

32. During the Designation Rights Period, the Buyer may designate any Designatable Lease or Additional Contract for assumption and assignment in accordance with the terms of the Asset Purchase Agreement. In such event, the Debtors shall file with the Court and serve on the applicable Designatable Contract Counterparty a Buyer Assumption Notice or Section 2.9 Assumption Notice, together with any applicable Designation Assignment Agreement or other applicable assignment agreement with respect to an Additional Contract. If the proposed Assignee is not either the Buyer or an affiliate of the Buyer, the Debtors shall also deliver to the applicable Designatable Contract Counterparty (and deliver by email or facsimile to counsel for the applicable Designatable Contract Counterparty, if such counsel has filed a notice of appearance in the Bankruptcy Cases) evidence of adequate assurance of future performance within the meaning of section 365 of the Bankruptcy Code with respect to the applicable Designatable Lease or Additional Contract that is proposed to be assumed and assigned to such Assignee. Any party seeking to object to the assumption and assignment of any Designatable Lease or Additional Contract on any basis other than the Cure Costs (including, but not limited to, objections to adequate assurance of future performance), must (a) file a written objection in compliance with the Bankruptcy Rules and the Local Rules (a "Designatable Contract Assumption and Assignment Objection") with the Court, so that such objection is filed no later

than eight (8) days after the date on which (i) the applicable Buyer Assumption Notice or Section 2.9 Assumption Notice is filed with the Court and (ii) evidence of adequate assurance of future performance required pursuant to the preceding sentence is served on the applicable Designatable Contract Counterparty (the “Designatable Contract Assumption and Assignment Objection Deadline”), and (b) serve the Designatable Contract Assumption and Assignment Objection (by email, facsimile or hand delivery) so that it is actually received by counsel for the Debtors and the Buyer on or before the Designatable Contract Assumption and Assignment Objection Deadline.

33. If no Designatable Contract Assumption and Assignment Objection is filed by the Designatable Contract Assumption and Assignment Objection Deadline, this Sale Order shall serve as approval of the assumption and assignment of the applicable Designatable Contract or Additional Contract. If a Designatable Contract Assumption and Assignment Objection is timely filed and not withdrawn or resolved, the Debtors, the Buyer and the objecting Designatable Contract Counterparty shall have authority to compromise, settle or otherwise resolve any objections without further order of the Court. If the Debtors, the Buyer and the objecting Designatable Contract Counterparty determine that the objection cannot be resolved without judicial intervention, then the determination of the assumption and assignment of the Designatable Lease or Additional Contract will be determined by the Court on a date to be scheduled (which hearing date shall be no sooner than ten (10) business days following the date of filing of the Buyer Assumption Notice or Section 2.9 Assumption Notice), unless the Debtors, the Buyer and the applicable Designatable Contract Counterparty agree otherwise.

34. Pursuant to section 365(b)(1)(A) and (B) of the Bankruptcy Code, (a) the Buyer shall, on the Designation Assignment Date or Additional Contract Assignment Date for a

Designatable Lease or Additional Contract, pay to the applicable Designatable Contract Counterparty all undisputed Cure Costs with respect to such Designatable Lease or Additional Contract, solely to the extent designated for assumption by the Sellers and assignment to Buyer by written notice from Buyer to Sellers delivered prior to the end of the Designation Rights Period (the “Designated Agreements”). The applicable Assignee shall assume the obligations of the Debtors under each such Designated Agreement and arising from and after the applicable Designation Assignment Date or Additional Contract Assignment Date. Upon assumption and assignment of any Designated Agreement, the Debtors and the estates shall be relieved of any liability for breach of such Designated Agreement occurring after the applicable Designation Assignment Date or Additional Contract Assignment Date pursuant to section 365(k) of the Bankruptcy Code; provided that, except as expressly provided in the Asset Purchase Agreement or Related Agreements, neither the Buyer (except to the extent such obligations constitute Cure Costs) nor the applicable Assignee shall have any obligations under any Designated Agreement that is an Acquired Lease or related Assigned Agreement in respect of any portion of any year-end (or other) adjustment (including, without limitation, for royalties, rents, utilities, taxes, insurance, fees, any common area or other maintenance charges, promotional funds and percentage rent) arising under any of the Acquired Leases or any other Assigned Agreements for the calendar year in which the applicable Lease Assignment occurs attributable to (x) the portion of such calendar year occurring prior to such Lease Assignment or (y) for any previous calendar year, and the Sellers shall fully indemnify and hold harmless the Buyer and the applicable Assignee with respect thereto; provided, however, that, with respect to each Designated Agreement that is an Acquired Lease or related Assigned Agreement, commencing on the applicable Designation Assignment Date until the final reconciliation of all such adjustments

with respect the calendar year in which the applicable Designation Assignment Date occurs, the Debtors shall hold (in a segregated account held by a third-party financial institution, which account shall be free and clear of all claims against the Debtors other than the applicable Landlord's claim with respect to such year-end reconciliations) cash in an amount equal to the Debtors' expected obligations in respect of such year-end adjustments (as mutually agreed by the Debtors and the applicable Landlord or, if the Debtors and the applicable Landlord cannot reach a mutual agreement, as determined by the Court), which cash, prior to such final reconciliation, may be used solely to fund such obligations and, following such final reconciliation, will be allocated between the Debtors and the applicable Landlord in accordance with such final reconciliation.

35. Any provision in any Designated Agreement that purports to declare a breach or default as a result of a change or transfer of control or any interest in respect of the Debtors is unenforceable and all Designated Agreements shall remain in full force and effect notwithstanding assignment thereof. No sections or provisions of any Designated Agreements, that in any way purport to (i) prohibit, restrict, or condition the Debtors' assignment of such Designated Agreement (including, but not limited to, the conditioning of such assignment on the consent of any non-debtor party to such Designated Agreement); (ii) provide for the cancellation, or modification of the terms of the Designated Agreement based on the filing of a bankruptcy case, the financial condition of the Debtors, or similar circumstances; (iii) provide for additional payments (e.g., so called "profit" sharing/splitting), penalties, fees, charges, or other financial accommodations in favor of the non-debtor third party to such Designated Agreement upon assignment thereof; or (iv) provide for any rights of first refusal on a Designatable Contract Counterparty's part, or any recapture or termination rights in favor of a Designatable Contract

Counterparty, or any right of a Landlord to take an assignment or sublease from a tenant, shall have any force or effect with respect to the grant and honoring of the Designation Rights or the rights under Section 2.9 of the Asset Purchase Agreement in accordance with this Sale Order and the Asset Purchase Agreement and assignments of Designated Agreements by the Debtors in accordance therewith, because they constitute unenforceable antiassignment provisions under section 365(f) of the Bankruptcy Code and/or are otherwise unenforceable under section 365(e) of the Bankruptcy Code. Upon assumption and assignment of any Designatable Lease or Additional Contract pursuant to the procedures set forth herein and in the Asset Purchase Agreement, the applicable Assignee shall enjoy all of the rights and benefits under each such Designated Agreement as of the applicable Designation Assignment Date or Additional Contract Assignment Date.

36. Except as otherwise expressly agreed by the Buyer and the applicable Designatable Contract Counterparty, notwithstanding any provision in any Designatable Lease that purports to prohibit, restrict or condition such action, upon the assumption and assignment of such Designatable Lease to an Assignee in accordance with the terms of the Asset Purchase Agreement, (x) the applicable Assignee shall be authorized to (i) use the applicable Lease Premises (as defined in the Asset Purchase Agreement), subject to section 365(b)(3) of the Bankruptcy Code, as a retail store (and related goods and services) upon consummation of the assumption and assignment of such Designatable Lease to such Assignee in accordance with the terms of the Asset Purchase Agreement, (ii) operate such Lease Premises under the Buyer's trade name or any other trade name which the Buyer owns or is authorized to use (including any of the Debtors' trade names), (iii) make such alterations and modifications to the applicable Lease Premises (including signage, together with appropriate changes to existing tenant signage in the

respective shopping center or mall, including panels on all pylons, monuments, directional and other ground and off-premises signs where Sellers are presently represented) deemed necessary by such Assignee (subject to applicable municipal codes) as are necessary or desirable for such Assignee to conform such Lease Premises to the prototypical retail store (or such Assignee's typical retail store), (iv) remain "dark" with respect to such Lease Premises after such assumption and assignment until the date that is necessary to permit such Assignee to remodel, restock, re-fixture, change signage and/or until completion of the work described in clause (iii) above (so long as such date is not more than one hundred fifty (150) days after the applicable Designation Assignment Date) or such later date as may be reasonably required for the restoration of the such Lease Premises following any applicable Casualty / Condemnation Event, and (v) exercise, utilize or take advantage of any renewal options and any other current or future rights, benefits, privileges, and options granted or provided to the Debtors under such Designated Agreement (including all of the same which may be described or designated as, or purport to be, "personal" to the Debtors or to a named entity in such Designated Agreement or to be exercisable only by the Debtors or by a named entity or an entity operating under a specific trade name) and (y) neither the Buyer nor the applicable Assignee shall have any responsibility or liability for any Excluded Asset-Sale Taxes and Excluded Asset-Reorganization Taxes.

37. **Ipsa Facto Clauses Ineffective.** Except as otherwise specifically provided for by order of this Court, the Assigned Agreements shall be transferred to, and remain in full force and effect for the benefit of, the Buyer or, for applicable Designated Agreements, the Assignee in accordance with their respective terms, including all obligations of the Buyer or, for applicable Designated Agreements, the Assignee as the assignee of the Assigned Agreements, notwithstanding any provision in any such Assigned Agreements (including, without limitation,

those of the type described in sections 365(e)(1) and (f) of the Bankruptcy Code) that prohibits, restricts or conditions such assignment or transfer. There shall be no, and all non-Debtor parties to any Assigned Agreements are forever barred and permanently enjoined from raising or asserting against the Debtors or the Buyer, any defaults, breach, claim, pecuniary loss, rent accelerations, escalations, assignment fees, increases or any other fees charged to the Buyer or the Debtors as a result of the assumption or assignment of the Assigned Agreements or the Closing.

38. Except as otherwise specifically provided for by order of this Court, upon the Debtors' assignment of the Assigned Agreements to the Buyer under the provisions of this Sale Order, no default shall exist under any Assigned Agreements, and no counterparty to any Assigned Agreements shall be permitted to declare a default by any Debtor or the Buyer or otherwise take action against the Buyer as a result of any Debtor's financial condition, bankruptcy or failure to perform any of its obligations under the relevant Assigned Agreement. Any provision in an Assigned Agreement that prohibits or conditions the assignment or sublease of such Assigned Agreement (including without limitation, the granting of a lien therein) or allows the counterparty thereto to terminate, recapture, impose any penalty, condition on renewal or extension, refuse to renew, or modify any term or condition upon such assignment or sublease, constitutes an unenforceable anti-assignment provision that is void and of no force and effect. The failure of the Debtors or the Buyer to enforce at any time one or more terms or conditions of any Assigned Agreement shall not be a waiver of such terms or conditions, or of the Debtors' and the Buyer's rights to enforce every term and condition of the Assigned Agreement.

39. **Statutory Mootness.** The Buyer is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to, and is hereby granted, the full

rights, benefits, privileges, and protections of section 363(m) of the Bankruptcy Code. The Sale Transaction contemplated by the Asset Purchase Agreement is undertaken by the Buyer and ESL without collusion and in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein of the Sale Transaction shall neither affect the validity of the Sale Transaction nor the transfer of the Acquired Assets to the Buyer, free and clear of Claims, unless such authorization is duly stayed before the Closing of the Sale Transaction pending such appeal. The Debtors and the Buyer will be acting in good faith if they proceed to consummate the Sale Transaction at any time after entry of this Sale Order.

40. **No Avoidance of Asset Purchase Agreement.** Neither the Debtors nor the Buyer Related Parties have engaged in any conduct that would cause or permit the Asset Purchase Agreement to be avoided or costs or damages to be imposed under section 363(n) of the Bankruptcy Code. Accordingly, the Asset Purchase Agreement and the Sale Transaction shall not be avoidable under section 363(n) or chapter 5 of the Bankruptcy Code, and no party shall be entitled to any damages or other recovery pursuant to section 363(n) of the Bankruptcy Code in respect of the Asset Purchase Agreement or the Sale Transaction.

41. **Waiver of Bankruptcy Rules 6004(h), 6006(d) and 7062.** Notwithstanding the provisions of Bankruptcy Rules 6004(h), 6006(d) or 7062 or any applicable provisions of the Local Rules, this Sale Order shall not be stayed after the entry hereof, but shall be effective and enforceable immediately upon entry, and the fourteen (14) day stay provided in Bankruptcy Rules 6004(h) and 6006(d) is hereby expressly waived and shall not apply. Time is of the essence in closing the Sale Transaction and the Debtors and the Buyer intend to close the Sale Transaction as soon as practicable. Any party objecting to this Sale Order must exercise due

diligence in filing an appeal and pursuing a stay within the time prescribed by law and prior to the Closing Date, or risk its appeal will be foreclosed as moot. This Sale Order constitutes a final order upon which the Debtors and the Buyer are entitled to rely.

42. **[Personally Identifiable Information]**. After appointment of any consumer privacy ombudsman in these chapter 11 cases, in accordance with section 332 of the Bankruptcy Code, and after giving due consideration to the facts, circumstances and conditions of the Asset Purchase Agreement, as well as the report (as supplemented) of the consumer privacy ombudsman filed with the Court which Buyer agrees to comply with, no showing was made that the sale of personally identifiable information or private health information contemplated in the Asset Purchase Agreement, subject to the terms of this Sale Order, would violate applicable nonbankruptcy law.]⁴

43. **Distribution and Application of Sale Proceeds.** At the Closing, the Buyer shall pay to the Sellers (in accordance with the terms of the Asset Purchase Agreement), the balance of the purchase price remaining due and owing under the Asset Purchase Agreement. The proceeds of the Sale Transaction shall be applied as provided in the *Final Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing, (B) Grant Senior Secured Priming Liens and Superpriority Administrative Expense Claims, and (C) Utilize Cash Collateral; (II) Granting Adequate Protection to the Prepetition Secured Parties; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* (Docket No. 955) (“**Final DIP Order**”), including to repay the DIP ABL Secured Obligations (as defined in the Final DIP Order) in full in cash from the sale of those Acquired Assets upon which the DIP ABL Lenders have a first lien on the Closing. The

⁴ **NTD:** Buyer understands that a draft of the consumer privacy ombudsman’s report will be shared prior to its submission to the Bankruptcy Court.

methodology for allocation of proceeds shall be as set forth in the Asset Purchase Agreement. If any order under section 1112 of the Bankruptcy Code is entered in the cases, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that this Sale Order, including the rights granted to Buyer hereunder, shall remain effective and, notwithstanding such conversion or dismissal, shall remain binding on parties in interest. This Sale Order shall not be modified by any chapter 11 plan confirmed in the cases or by any subsequent orders of the Court.

44. **Binding Effect of Sale Order.** The terms and provisions of the Asset Purchase Agreement and this Sale Order shall be binding in all respects upon, or shall inure to the benefit of, the Debtors, their estates and their creditors, non-debtor affiliates, any affected third parties, all holders of equity interests in the Debtors, all holders of any claims, whether known or unknown, against the Debtors, any holders of Claims against or on all or any portion of the Acquired Assets, including, but not limited to all contract counterparties, leaseholders, governmental units, and any trustees, examiners, administrators, responsible officers, estate representatives, or similar entities for the Debtors, if any, subsequently appointed in any of the Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code of any of the debtors' chapter 11 cases, and each of their respective affiliates, successors and assigns. The Asset Purchase Agreement and the Sale Order shall inure to the benefit of the Debtors, their estates and creditors, the Buyer and their respective successors and assigns. The Asset Purchase Agreement, the Sale Transaction and this Sale Order shall not be subject to rejection or avoidance by the Debtors, their estates, their creditors or any trustee, examiner or receiver.

45. **Conflicts; Precedence.** In the event that there is a direct conflict between the terms of this Sale Order, the Asset Purchase Agreement, and any documents executed in connection therewith, the provisions contained in this Sale Order, the Asset Purchase Agreement

and any documents executed in connection therewith shall govern, in that order. Nothing contained in any chapter 11 plan hereinafter confirmed in these chapter 11 cases, any order confirming such plan, or in any other order of any type or kind entered in these chapter 11 cases (including, without limitation, any order entered after any conversion of any or all of these chapter 11 cases to cases under chapter 7 of the Bankruptcy Code) or in any related proceeding shall alter, conflict with or derogate from the provisions of the Asset Purchase Agreement or the terms of this Sale Order.

46. **Modification of Asset Purchase Agreement.** The Asset Purchase Agreement and Related Agreements, documents or other instruments executed in connection therewith, may be modified, amended or supplemented by the parties thereto, in a writing signed by each party, and in accordance with the terms thereof, without further order of the Court; provided that any such modification, amendment or supplement does not materially change the terms of the Asset Purchase Agreement or Related Agreements, documents or other instruments.

47. **Bulk Sales; Taxes.** No bulk sales law, bulk transfer law or similar law of any state or other jurisdiction (including those relating to taxes other than Transfer Taxes) shall apply in any way to the transactions contemplated by the Asset Purchase Agreement, the Sale Motion or this Sale Order. Except as otherwise expressly provided in the Asset Purchase Agreement, all obligations of the Debtors relating to taxes, whether arising under any law, by the Asset Purchase Agreement, or otherwise, shall be the obligation of and fulfilled and paid by the Debtors.

48. **Lease Deposits and Security.** The Buyer shall not be required, pursuant to section 365(1) of the Bankruptcy Code or otherwise, to provide any additional deposit or security with respect to any Assigned Agreement to the extent not previously provided by the Debtors.

49. **Automatic Stay.** The Buyer shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Asset Purchase Agreement, and Related Agreements, documents or other instruments. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the provisions of this Sale Order.

50. **Retention of Jurisdiction.** This Court shall retain exclusive jurisdiction to, among other things, interpret, enforce and implement the terms and provisions of this Sale Order and the Asset Purchase Agreement, all amendments thereto, any waivers and consents thereunder (and of each of the agreements executed in connection therewith), to adjudicate disputes related to this Sale Order or the Asset Purchase Agreement (and such other related agreements, documents or other instruments) and to enforce the injunctions set forth herein.

Dated: [February] ____, 2019
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

FORM OF

IP ASSIGNMENT AGREEMENT

THIS IP ASSIGNMENT AGREEMENT (“Assignment”), effective as of [●] (“Effective Date”)¹, is made and entered into by and among Sears Holdings Corporation, a corporation organized and existing under the laws of Delaware (“SHC”) and each of its Subsidiaries party hereto² (all such Subsidiaries and together with SHC, “Assignors”), on the one hand, and [●]³, a [●] organized and existing under the laws of [●] (“Assignee”), on the other hand (each a “Party”, and collectively, the “Parties”).

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of [●], by and among Assignors and [Assignee together with any applicable Affiliated Designees]⁴ (the “Purchase Agreement”), Sellers agreed to sell, transfer, assign, convey and deliver, and [Assignee together with any applicable Affiliated Designees]⁵ agreed to purchase, the Acquired Assets, including the Acquired Intellectual Property, in each case on the terms and subject to the conditions contained in the Purchase Agreement;

WHEREAS, Assignors are the owners of the Acquired Intellectual Property, including, without limitation, each of the Trademarks set forth on Exhibit A-1 hereto, each of the Business Names set forth on Exhibit A-2 hereto, each of the Patents set forth on Exhibit A-3 hereto, each of the Copyrights set forth on Exhibit A-4 hereto, each of the Domain Names set forth on Exhibit A-5 hereto and each of the Media Accounts set forth on Exhibit A-6 hereto (in each case, as applicable, together with all goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing);

WHEREAS, the Acquired Intellectual Property is included in the Acquired Assets;

WHEREAS, as required in the Purchase Agreement, Assignors hereby desire to sell, transfer, assign, convey and deliver to Assignee their entire worldwide right, title and interest

¹ **Note to Draft:** Effective Date of this Assignment will be the Closing Date.

² **Note to Draft:** Every Subsidiary that is party to the Purchase Agreement, should also be party to this Assignment, as this Assignment effectuates the transfer of all Acquired Intellectual Property (whether registered or unregistered).

³ **Note to Draft:** Prior to the Closing, Transform Holdco LLC may designate (i) itself as Assignee, (ii) itself and an Affiliated Designee to each receive a portion of the Acquired Intellectual Property, in which case, a separate assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and such assignee, (iii) itself and more than one Affiliated Designee to each receive a portion of the Acquired Intellectual Property, in which case, a separate assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and each such assignee or (iv) more than one Affiliated Designee to each receive a portion of the Acquired Intellectual Property, in which case, a separate assignment agreement in the form hereof will be executed for each such Affiliate.

⁴ **Note to Draft:** If Assignee is not Transform Holdco LLC, this bracketed language should be replaced with “Transform Holdco LLC together with any applicable Affiliate Designees, including Assignee”.

⁵ **Note to Draft:** If Assignee is not Transform Holdco LLC, this bracketed language should be replaced with “Transform Holdco LLC together with any applicable Affiliate Designees, including Assignee”.

in, to and under the Acquired Intellectual Property; and

WHEREAS, Assignee desires to acquire the Acquired Intellectual Property from Assignors.

NOW, THEREFORE, in consideration of the premises and covenants hereinafter contained, in consideration of the representations, warranties and covenants contained in the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties desire to enter into this Assignment on the terms set forth herein.

Intending to be legally bound, the Parties agree as follows:

1. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Purchase Agreement.
2. As of the Effective Date, Assignors hereby irrevocably sell, convey, assign and transfer to Assignee, and its successors and assigns, their entire worldwide right, title and interest in, to and under the Acquired Intellectual Property free and clear of all Encumbrances (other than Permitted Encumbrances), the same to be held and enjoyed by Assignee for its own use and enjoyment and the use and enjoyment of its successors, assigns and other legal representatives as fully and entirely as the same would have been held and enjoyed by Assignors if this IP Assignment Agreement had not been made, together with (A) the rights to all causes of action (whether known or unknown or whether currently pending, filed or otherwise) and other enforcement rights under, or on account of, any of the Acquired Intellectual Property, including the right to sue and recover damages and obtain equitable relief for past, present and future infringement, misappropriation, dilution or other violation, (B) all rights to collect past and future income, royalties, damages and other payments now or hereafter due or payable under or on account of any of the Acquired Intellectual Property, (C) the right to prosecute, register, maintain and defend the Acquired Intellectual Property before any public or private agency, office or registrar, (D) the right, if any, to claim priority based on the filing dates of the Acquired Intellectual Property under any Law, including under the International Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, the European Patent Convention, the Paris Convention and all other treaties of like purposes, (E) the right to fully and entirely stand in the place of Assignors in all matters related to the Acquired Intellectual Property, (F) all other rights corresponding to the Acquired Intellectual Property throughout the respective countries in which Assignors hold rights in the Acquired Intellectual Property and (G) all goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing. This foregoing assignment is intended to be an absolute assignment and not by way of security.
3. This Assignment is binding upon, and inures to the benefit of, the Parties and their respective legal representatives, successors and assigns.
4. The respective rights of Assignor and Assignee with respect to the Acquired Intellectual Property sold, conveyed, transferred, assigned and delivered hereby to the

Assignee shall be governed exclusively by the Purchase Agreement, and nothing in this Assignment shall alter any Liability arising under the Purchase Agreement, which shall (without limiting the generality of the foregoing) govern, and shall contain the sole and exclusive representations and warranties of the Parties with respect to such Acquired Intellectual Property. If there is any conflict or inconsistency between the provisions of the Purchase Agreement and this Assignment, the provisions of the Purchase Agreement shall govern. Notwithstanding anything to the contrary in this Assignment, nothing herein (other than Section 6, Section 7 and Section 8) is intended to, nor shall it, extend, amplify or otherwise alter any representation, warranty, covenant or obligation contained in the Purchase Agreement.

5. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Assignment and all claims or causes of action (whether in contract or in tort, in law or in equity or granted by statute) that may be based upon, arise out of or relate to this Assignment or the negotiation, execution or performance of this Assignment (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Assignment or as an inducement to enter into this Assignment) shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other Law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto.

6. Upon reasonable request by Assignee, the applicable Assignors will timely execute and deliver any additional documents (including those referenced in Section 7 below) and take such other actions as may be necessary or desirable to record or memorialize the assignments of the Acquired Intellectual Property set forth herein, or to vest or perfect in Assignee such right, title, and interest in, to and under the Acquired Intellectual Property. If Assignee is unable for any reason to secure any Assignor's signature to any document it is entitled to hereunder (including those referenced in Section 7 below), each Assignor hereby irrevocably designates and appoints Assignee, and Assignee's duly authorized officers, agents and representatives, as its agents and attorneys-in-fact with full power of substitution to act for and on the behalf and instead of such Assignor, to execute and file any such document or documents and to do all other lawfully permitted acts to further the purposes of this Assignment with the same legal force and effect as if executed by such Assignor. Assignors shall not enter into any agreement in conflict with this Assignment.

7. Each Assignor agrees that (i) with respect to any Trademarks, Patents or Copyrights issued, filed or registered in the United States and included in the Acquired Intellectual Property, at Closing, it will enter into an assignment agreement substantially in the form set forth in Schedule 1, Schedule 2 or Schedule 3, as applicable, (ii) with respect to any Domain Names included in the Acquired Intellectual Property, at Closing, it will enter into an agreement substantially in the form of Schedule 4 and (iii) with respect to any Intellectual Property included in the Acquired Intellectual Property that is issued, filed or registered in a jurisdiction outside of the United States, at Closing, it will enter into an assignment agreement suitable for recording in the relevant jurisdictions with terms and conditions substantially similar to those set forth in Schedule 1, Schedule 2 or Schedule 3, as applicable, except for any different

terms and conditions that would be necessary in a recordable assignment agreement for the respective local jurisdiction.

8. Assignee shall be responsible for the preparation and filing of such additional documents that may be reasonably necessary to record or perfect Assignee's right, title and interest in, to and under the Acquired Intellectual Property (including with any applicable Governmental Authorities) and for any and all costs, expenses and fees associated with the recordation or perfection of the sale, conveyance, transfer and assignment to Assignee of the Acquired Intellectual Property at the United States Patent and Trademark Office, and each of the corresponding entities or agencies in any applicable foreign countries or multinational authorities. Assignors and Assignee shall each pay their own costs with respect to any notarization, legalization and other equivalent actions required on such Party's behalf for the execution and recordation of any document it is entitled to under Section 6 or Section 7 hereof.

9. No amendment, modification or discharge of this Assignment, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by each Party. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Parties of a breach of or a default under any of the provisions of this Assignment, nor the failure by any of the Parties, on one or more occasions, to enforce any of the provisions of this Assignment or to exercise any right or privilege hereunder shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. No course of dealing between or among the Parties shall be deemed effective to modify, amend or discharge any part of this Assignment or any rights to payment of any Party under or by reason of this Assignment.

10. This Assignment may be executed and delivered in any number of counterparts (including by facsimile transmission or other means of electronic transmission, such as by electronic mail in "pdf" form) with the same effect as if the signatures to each counterpart were upon a single instrument, each of which when executed shall be deemed to be an original and all such counterparts together shall be deemed an original of this Assignment. Delivery of an executed counterpart hereof by means of electronic transmission in portable document format (pdf) shall have the same effect as delivery of a physically executed counterpart in person.

11. Section 13.4 (Entire Agreement), Section 13.7 (Severability), Section 13.8(c) (Waiver of Jury Trial) and Section 13.14 (Specific Performance) of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*. In this Assignment, (i) whenever the word "including" is used, it is deemed to be followed by the words "without limitation" and (ii) "or" is used in the inclusive sense of "and/or".

[Signature pages follow]

IN WITNESS WHEREOF, the Parties, through their authorized representatives, have caused this Assignment to be duly executed and delivered as of the Effective Date.

ASSIGNOR⁶:

[•]

By: _____
Name: _____
Title: _____

⁶ **Note to Draft:** This signature block should be duplicated for each applicable Assignor (each Seller under the Purchase Agreement).

ASSIGNEE:

[•]

By: _____
Name:
Title:

EXHIBIT A

ACQUIRED IP

[Exhibit A to mirror the schedules of registered, issued and applied-for Trademarks, Patents, Copyrights, Domain Names, and Business Names and Media Accounts, in each case included on Schedule 2.1(a) of the Purchase Agreement, provided that Exhibit A shall also include any registered, issued or applied-for Trademarks, Patents, Copyrights, Domain Names, Business Names or Media Accounts included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(i)-(vi) of the Purchase Agreement.]

SCHEDULE 1
FORM OF
TRADEMARK ASSIGNMENT AGREEMENT

This TRADEMARK ASSIGNMENT AGREEMENT, effective as of [●] (“**Effective Date**”), is between [●]⁷ (“**Assignor**”) and [●]⁸ (“**Assignee**”).

WITNESSETH:

WHEREAS, Sears Holdings Corporation, a corporation organized and existing under the laws of Delaware (“**SHC**”, together with each of its Subsidiaries party thereto, the “**Sellers**”) and [Assignee]⁹ have entered into that certain Asset Purchase Agreement, dated [●] (the “**Purchase Agreement**”), pursuant to which Sellers have agreed to sell, convey, transfer, assign and deliver to Assignee, and [Assignee together with any applicable Affiliated Designees]¹⁰ have agreed to purchase from Sellers, all of their respective right, title and interest in, to and under all Trademarks included in the Acquired Intellectual Property, including without limitation those trademark registrations and applications for registration listed in Exhibit A (such Trademarks, the “**Transferred Marks**”), and all goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing;

WHEREAS, Assignor is the owner of the Transferred Marks and all goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing;

WHEREAS, [Assignee]¹¹ will be, as of the Effective Date, the successor in interest to the business of Assignor to which the Transferred Marks pertain, and such business is ongoing and existing; and

WHEREAS, pursuant to the Purchase Agreement, Assignor agrees to sell, convey, transfer, assign and deliver to Assignee, and Assignee wishes to acquire from Assignor, Assignor’s entire

⁷ **Note to Draft:** To duplicate the short-form and replace Assignor with each Assignor listed as a record owner of the Trademarks under Schedule 2.1(a)(i) to the Purchase Agreement (or the record owner of any other registered or applied-for Trademarks included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(i)).

⁸ **Note to Draft:** Prior to the Closing, Transform Holdco LLC may designate (i) itself as Assignee, (ii) itself and an Affiliated Designee to each receive a portion of the Transferred Marks, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and such assignee, (iii) itself and more than one Affiliated Designee to each receive a portion of the Transferred Marks, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and each such assignee or (iv) more than one Affiliated Designee to each receive a portion of the Transferred Marks, in which case, a separate short-form assignment agreement in the form hereof will be executed for each such Affiliate.

⁹ **Note to Draft:** To adjust the party if Assignee is not Transform Holdco LLC.

¹⁰ **Note to Draft:** If Assignee is not Transform Holdco LLC, this bracketed language should be replaced with “Transform Holdco LLC together with any applicable Affiliate Designees”.

¹¹ **Note to Draft:** To adjust the party if Assignee is not Transform Holdco LLC.

[Schedule 1 to IP Assignment Agreement]

right, title and interest in, to and under the Transferred Marks, and all goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained in this Trademark Assignment Agreement, in the Purchase Agreement, in the IP Assignment Agreement and in the other Transaction Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. Pursuant to and subject to the terms and conditions of the Purchase Agreement, Assignor, as of the Effective Date, hereby irrevocably sells, conveys, transfers and assigns to Assignee, and its successors and assigns, and Assignee hereby accepts, Assignor's entire right, title and interest in, to and under the Transferred Marks, and any renewals thereof, all registrations that have been or may be granted thereon, all applications for registrations thereof, all common law rights thereto and all goodwill of the businesses in which the foregoing are used and all goodwill connected with the use of and symbolized by the foregoing, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns and other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this Trademark Assignment Agreement had not been made, together with (A) the rights to all causes of action (whether known or unknown or whether currently pending, filed or otherwise) and other enforcement rights under, or on account of, any of the Transferred Marks, including the right to sue and recover damages and obtain equitable relief for past, present and future infringement, misappropriation, dilution or other violation, (B) all rights to collect past and future income, royalties, damages and other payments now or hereafter due or payable under or on account of any of the Transferred Marks, (C) the right, if any, to claim priority based on the filing dates of the Transferred Marks under any Law, (D) the right to prosecute, register, maintain and defend the Transferred Marks before any public or private agency, office or registrar, (E) the right to fully and entirely stand in the place of Assignor in all matters related to the Transferred Marks and (F) all other rights corresponding to the Transferred Marks throughout the respective countries in which Assignor holds rights in the Transferred Marks. This foregoing assignment is intended to be an absolute assignment and not by way of security.

2. Cooperation. (A) Assignor shall, at its expense, timely take all reasonable actions and execute and deliver all documents that Assignee may reasonably request to effect the terms of this Trademark Assignment Agreement and to perfect Assignee's title in, to and under the Transferred Marks.

(B) If Assignee is unable for any reason to secure Assignor's signature to any document it is entitled to under Section 2(A) hereof, Assignor hereby irrevocably designates and appoints Assignee, and Assignee's duly authorized officers, agents and representatives, as its agents and attorneys-in-fact with full power of substitution to act for and on the behalf and instead of Assignor, to execute and file any such document or documents and to do all other lawfully permitted acts to effect the terms of this Trademark Assignment Agreement with the same legal force and effect as if executed by Assignor. Assignor shall not enter into any agreement in conflict with this Trademark Assignment Agreement.

3. Recordation. Assignee shall be responsible for the preparation and filing of such additional documents that may be reasonably necessary to record or perfect Assignee's right, title and interest in, to and under the Transferred Marks (including with any applicable Governmental Authorities) and for any and all costs, expenses and fees associated with the recordation or perfection of the sale, conveyance, transfer and assignment to Assignee of the Transferred Marks at the United States Patent and Trademark Office, and each of the corresponding entities or agencies in any applicable foreign countries or multinational authorities. Assignor and Assignee shall each pay its own costs with respect to any notarization, legalization and other equivalent actions required on such party's behalf for the execution and recordation of this Trademark Assignment Agreement and any other document provided pursuant to Section 2(A) hereof. Assignor hereby authorizes the Director of Patents and Trademarks in the United States Patent and Trademark Office, and the corresponding entities or agencies in any applicable foreign countries or multinational authorities, to record Assignee as the assignee and owner of the Transferred Marks, and to deliver to Assignee and to Assignee's attorneys, agents, representatives, successors or assigns, all official documents and communications as may be warranted by this Trademark Assignment Agreement.

4. Governing Law; Venue; Jury Trial. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Assignment and all claims or causes of action (whether in contract or in tort, in law or in equity or granted by statute) that may be based upon, arise out of or relate to this Assignment or the negotiation, execution or performance of this Assignment (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Assignment or as an inducement to enter into this Assignment) shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other Law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto. The venue and waiver of jury trial provisions of Section 13.8 of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*.

5. General Provisions. All capitalized terms used in this Trademark Assignment Agreement and not defined herein shall have the meanings set forth in the Purchase Agreement. Whenever the word "including" is used in this Trademark Assignment Agreement, it shall be deemed to be followed by the words "without limitation" and whenever the word "or" is used in this Trademark Assignment Agreement, it is used in the inclusive sense of "and/or." This Trademark Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Trademark Assignment Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Trademark Assignment Agreement. This Trademark Assignment Agreement, along with its Exhibit, the IP Assignment Agreement, the other Transaction Documents, the Purchase Agreement and the Schedules and Exhibits of the IP Assignment Agreement, the other Transaction Documents and the Purchase Agreement, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between and among the parties with respect to the subject matter hereof. This Trademark Assignment Agreement may not be

amended, modified, supplemented, changed or waived in any manner except by a writing signed by all parties hereto. The failure of any party to enforce any terms or provisions of this Trademark Assignment Agreement shall not waive any of its rights under such terms or provisions. Each of the parties shall be entitled to injunctive or other equitable relief to prevent or cure breaches of this Trademark Assignment Agreement and, in addition to any other remedy to which they are entitled at Law or in equity, to enforce specifically the terms and provisions hereof, such remedy being in addition to any other remedy to which any party may be entitled at Law or in equity. This Trademark Assignment Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns. In the event of any conflict between the Purchase Agreement and this Trademark Assignment Agreement, the provisions of the Purchase Agreement shall control.

[Remainder of this page intentionally left blank]

WHEREFORE, Assignor and Assignee have duly executed this Trademark Assignment Agreement on the date indicated below.

Date: _____, _____

ASSIGNOR

By _____
Name:
Title:

State of _____)
ss.:
County of _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared, _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is signed on the preceding instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which this individual acted, executed the instrument.

Notary Public

My commission expires: _____

Dated: _____

Date: _____, _____

ASSIGNEE

By _____
Name:
Title:

EXHIBIT A

TRANSFERRED MARKS¹²

Trademark	Owner	Application Number	Application Date	Registration Number	Registration Date

¹² **Note to Draft:** Exhibit A shall be populated with those Trademarks listed on Schedule 2.1(a)(i) to the Purchase Agreement, provided that Exhibit A shall also include any registered or applied-for Trademarks included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(i).

SCHEDULE 2
FORM OF
PATENT ASSIGNMENT AGREEMENT

This PATENT ASSIGNMENT AGREEMENT, effective as of [●] (“**Effective Date**”), is between [●]¹³ (“**Assignor**”) and [●]¹⁴ (“**Assignee**”).

W I T N E S S E T H:

WHEREAS, Sears Holdings Corporation, a corporation organized and existing under the laws of Delaware (“**SHC**”, together with each of its Subsidiaries party thereto, the “**Sellers**”) and [Assignee]¹⁵ have entered into that certain Asset Purchase Agreement, dated [●] (the “**Purchase Agreement**”), pursuant to which Sellers have agreed to sell, convey, transfer, assign and deliver to Assignee, and [Assignee together with any applicable Affiliated Designees]¹⁶ have agreed to purchase from Sellers, all of their respective right, title and interest in, to and under all patents and patent applications included in the Acquired Intellectual Property, including without limitation those patent and patent applications listed in Exhibit A (such patents and patent applications, the “**Transferred Patents**”);

WHEREAS, Assignor is the owner of the Transferred Patents; and

WHEREAS, pursuant to the Purchase Agreement, Assignor agrees to sell, convey, transfer, assign and deliver to Assignee, and Assignee wishes to acquire from Assignor, Assignor’s entire right, title and interest in, to and under the Transferred Patents.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained in this Patent Assignment Agreement, in the Purchase Agreement, in the IP Assignment Agreement and in the other Transaction Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

¹³ **Note to Draft:** To duplicate the short-form and replace Assignor with each Assignor listed as a record owner of the Patents under Schedule 2.1(a)(iii) to the Purchase Agreement (or the record owner of any other registered or applied-for Patents included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(iii)).

¹⁴ **Note to Draft:** Prior to the Closing, Transform Holdco LLC may designate (i) itself as Assignee, (ii) itself and an Affiliated Designee to each receive a portion of the Transferred Patents, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and such assignee, (iii) itself and more than one Affiliated Designee to each receive a portion of the Transferred Patents, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and each such assignee or (iv) more than one Affiliated Designee to each receive a portion of the Transferred Patents, in which case, a separate short-form assignment agreement in the form hereof will be executed for each such Affiliate.

¹⁵ **Note to Draft:** To adjust the party if Assignee is not Transform Holdco LLC.

¹⁶ **Note to Draft:** If Assignee is not Transform Holdco LLC, this bracketed language should be replaced with “Transform Holdco LLC together with any applicable Affiliate Designees”.

1. Assignment. Pursuant to and subject to the terms and conditions of the Purchase Agreement, Assignor, as of the Effective Date, hereby irrevocably sells, conveys, transfers and assigns to Assignee, and its successors and assigns, and Assignee hereby accepts, Assignor's entire right, title and interest in, to and under the Transferred Patents, including the inventions claimed therein and any reissues, reexaminations, divisionals, continuations, continuations-in-part, extensions, provisionals, substitutions and counterparts of such Transferred Patents already granted and which may be granted therefrom, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns and other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this Patent Assignment Agreement had not been made, together with (A) the rights to all causes of action (whether known or unknown or whether currently pending, filed or otherwise) and other enforcement rights under, or on account of, any of the Transferred Patents, including the right to sue and recover damages and obtain equitable relief for past, present and future infringement, misappropriation or other violation, (B) all rights to collect past and future income, royalties, damages and other payments now or hereafter due or payable under or on account of any of the Transferred Patents, (C) the right, if any, to claim priority based on the filing dates of the Transferred Patents under any Law, including under the International Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, the European Patent Convention, the Paris Convention and all other treaties of like purposes, (D) the right to prosecute, register, maintain and defend the Transferred Patents before any public or private agency, office or registrar, (E) the right to fully and entirely stand in the place of Assignor in all matters related to the Transferred Patents and (F) all other rights corresponding to the Transferred Patents throughout the respective countries in which Assignor holds rights in the Transferred Patents. This foregoing assignment is intended to be an absolute assignment and not by way of security.

2. Cooperation. (A) Assignor shall, at its expense, timely take all reasonable actions and execute and deliver all documents that Assignee may reasonably request to effect the terms of this Patent Assignment Agreement and to perfect Assignee's title in, to and under the Transferred Patents.

(B) If Assignee is unable for any reason to secure Assignor's signature to any document it is entitled to under Section 2(A) hereof, Assignor hereby irrevocably designates and appoints Assignee, and Assignee's duly authorized officers, agents and representatives, as its agents and attorneys-in-fact with full power of substitution to act for and on the behalf and instead of Assignor, to execute and file any such document or documents and to do all other lawfully permitted acts to effect the terms of this Patent Assignment Agreement with the same legal force and effect as if executed by Assignor. Assignor shall not enter into any agreement in conflict with this Patent Assignment Agreement.

3. Recordation. Assignee shall be responsible for the preparation and filing of such additional documents that may be reasonably necessary to record or perfect Assignee's right, title and interest in, to and under the Transferred Patents (including with any applicable Governmental Authorities), and for any and all costs, expenses and fees associated with the recordation or perfection of the sale, conveyance, transfer and assignment to Assignee of the Transferred Patents at the United States Patent and Trademark Office, and each of the

corresponding entities or agencies in any applicable foreign countries or multinational authorities. Assignor and Assignee shall each pay its own costs with respect to any notarization, legalization and other equivalent actions required on such party's behalf for the execution and recordation of this Patent Assignment Agreement and any other document it is entitled to under Section 2(A) hereof. Assignor hereby authorizes the Director of Patents and Trademarks in the United States Patent and Trademark Office, and the corresponding entities or agencies in any applicable foreign countries or multinational authorities, to record Assignee as the assignee and owner of the Transferred Patents, and to deliver to Assignee and to Assignee's attorneys, agents, representatives, successors or assigns, all official documents and communications as may be warranted by this Patent Assignment Agreement.

4. Governing Law; Venue; Jury Trial. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Assignment and all claims or causes of action (whether in contract or in tort, in law or in equity or granted by statute) that may be based upon, arise out of or relate to this Assignment or the negotiation, execution or performance of this Assignment (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Assignment or as an inducement to enter into this Assignment) shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other Law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto.. The venue and waiver of jury trial provisions of Section 13.8 of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*.

5. General Provisions. All capitalized terms used in this Patent Assignment Agreement and not defined herein shall have the meanings set forth in the Purchase Agreement. Whenever the word "including" is used in this Patent Assignment Agreement, it shall be deemed to be followed by the words "without limitation" and whenever the word "or" is used in this Patent Assignment Agreement, it is used in the inclusive sense of "and/or." This Patent Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Patent Assignment Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Patent Assignment Agreement. This Patent Assignment Agreement, along with its Exhibit, the IP Assignment Agreement, the other Transaction Documents, the Purchase Agreement and the Schedules and Exhibits of the IP Assignment Agreement, the other Transaction Documents and the Purchase Agreement, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between and among the parties with respect to the subject matter hereof. This Patent Assignment Agreement may not be amended, modified, supplemented, changed or waived in any manner except by a writing signed by all parties hereto. The failure of any party to enforce any terms or provisions of this Patent Assignment Agreement shall not waive any of its rights under such terms or provisions. Each of the parties shall be entitled to injunctive or other equitable relief to prevent or cure breaches of this Patent Assignment Agreement and, in addition to any other remedy to which they are entitled at Law or in equity, to enforce

specifically the terms and provisions hereof, such remedy being in addition to any other remedy to which any party may be entitled at Law or in equity. This Patent Assignment Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns. In the event of any conflict between the Purchase Agreement and this Patent Assignment Agreement, the provisions of the Purchase Agreement shall control.

[Remainder of this page intentionally left blank]

WHEREFORE, Assignor and Assignee have duly executed this Patent Assignment Agreement on the date indicated below.

Date: _____, _____

ASSIGNOR

By _____
Name:
Title:

State of _____)
ss.:
County of _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared, _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is signed on the preceding instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which this individual acted, executed the instrument.

Notary Public

My commission expires: _____

Dated: _____

Date: _____, _____

ASSIGNEE

By _____
Name:
Title:

EXHIBIT A

TRANSFERRED PATENTS¹⁷

Patent	Owner	Application Number	Application Date	Patent Number	Issue Date

¹⁷ **Note to Draft:** Exhibit A shall be populated with those Patents listed on Schedule 2.1(a)(iii) to the Purchase Agreement Disclosure Schedules, provided that Exhibit A shall also include any issued or applied-for patents included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.01(a).

SCHEDULE 3

FORM OF

COPYRIGHT ASSIGNMENT AGREEMENT

This COPYRIGHT ASSIGNMENT AGREEMENT, effective as of [●] (“**Effective Date**”), is between [●]¹⁸ (“**Assignor**”) and [●]¹⁹ (“**Assignee**”).

W I T N E S S E T H:

WHEREAS, Sears Holdings Corporation, a corporation organized and existing under the laws of Delaware (“**SHC**”, together with each of its Subsidiaries party thereto, the “**Sellers**”) and [Assignee]²⁰ have entered into that certain Kenmore Asset Purchase Agreement, dated [●] (the “**Purchase Agreement**”), pursuant to which Sellers have agreed to sell, convey, transfer, assign and deliver to Assignee, and [Assignee together with any applicable Affiliated Designees]²¹ have agreed to purchase from Sellers, all of their respective right, title and interest in, to and under all copyright registrations and applications for registration included in the Acquired Intellectual Property, including without limitation those copyright registrations and applications for registration listed in Exhibit A (such copyrights, the “**Transferred Copyrights**”);

WHEREAS, Assignor is the owner of the Transferred Copyrights; and

WHEREAS, pursuant to the Purchase Agreement, Assignor agrees to sell, convey, transfer, assign and deliver to Assignee, and Assignee wishes to acquire from Assignor, Assignor’s entire right, title and interest in, to and under the Transferred Copyrights.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained in this Copyright Assignment Agreement, in the Purchase Agreement, in the IP Assignment Agreement and in the other Transaction Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. Pursuant to and subject to the terms and conditions of the Purchase Agreement, Assignor, as of the Effective Date, hereby irrevocably sells, conveys,

¹⁸ **Note to Draft:** To duplicate the short-form and replace Assignor with each Assignor listed as a record owner of the Copyrights under Schedule 2.1(a)(iv) to the Purchase Agreement (or the record owner of any other registered or applied-for Copyrights included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(iv)).

¹⁹ **Note to Draft:** Prior to the Closing, Transform Holdco LLC may designate (i) itself as Assignee, (ii) itself and an Affiliated Designee to each receive a portion of the Transferred Copyrights, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and such assignee, (iii) itself and more than one Affiliated Designee to each receive a portion of the Transferred Copyrights, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and each such assignee or (iv) more than one Affiliated Designee to each receive a portion of the Transferred Copyrights, in which case, a separate short-form assignment agreement in the form hereof will be executed for each such Affiliate.

²⁰ **Note to Draft:** To adjust the party if Assignee is not Transform Holdco LLC.

²¹ **Note to Draft:** If Assignee is not Transform Holdco LLC, this bracketed language should be replaced with “Transform Holdco LLC together with any applicable Affiliate Designees”.

transfers and assigns to Assignee, and its successors and assigns, and Assignee hereby accepts, Assignor's entire right, title and interest in, to and under the Transferred Copyrights, and any renewals or extensions thereof, all registrations that have been or may be granted thereon, all applications for registration, together with all rights derived therefrom, including all statutory and contractual rights and any moral rights that Assignor has the ability to assign, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns and other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this Copyright Assignment Agreement had not been made, together with (A) the rights to all causes of action (whether known or unknown or whether currently pending, filed or otherwise) and other enforcement rights under, or on account of, any of the Transferred Copyrights, including the right to sue and recover damages and obtain equitable relief for past, present and future infringement, misappropriation or other violation, (B) all rights to collect past and future income, royalties, damages and other payments now or hereafter due or payable under or on account of any of the Transferred Copyrights, (C) the right to prosecute, register, maintain and defend the Transferred Copyrights before any public or private agency, office or registrar, (D) the right to fully and entirely stand in the place of Assignor in all matters related to the Transferred Copyrights and (E) all other rights corresponding to the Transferred Copyrights throughout the respective countries in which Assignor holds rights in the Transferred Copyrights. This foregoing assignment is intended to be an absolute assignment and not by way of security.

2. Cooperation. (A) Assignor shall, at its expense, timely take all reasonable actions and execute and deliver all documents that Assignee may reasonably request to effect the terms of this Copyright Assignment Agreement and to perfect Assignee's title in, to and under the Transferred Copyrights.

(B) If Assignee is unable for any reason to secure Assignor's signature to any document it is entitled to under Section 2(A) hereof, Assignor hereby irrevocably designates and appoints Assignee, and Assignee's duly authorized officers, agents and representatives, as its agents and attorneys-in-fact with full power of substitution to act for and on the behalf and instead of Assignor, to execute and file any such document or documents and to do all other lawfully permitted acts to effect the terms of this Copyright Assignment Agreement with the same legal force and effect as if executed by Assignor. Assignor shall not enter into any agreement in conflict with this Copyright Assignment Agreement.

3. Recordation. Assignee shall be responsible for the preparation and filing of such additional documents that may be reasonably necessary to record or perfect Assignee's right, title and interest in, to and under the Transferred Copyrights (including with any applicable Governmental Authorities), and for any and all costs, expenses and fees associated with the recordation or perfection of the sale, conveyance, transfer and assignment to Assignee of the Transferred Copyrights at the U.S. Copyright Office, and each of the corresponding entities or agencies in any applicable foreign countries or multinational authorities. Assignor and Assignee shall each pay its own costs with respect to any notarization, legalization and other equivalent actions required on such party's behalf for the execution and recordation of this Copyright Assignment Agreement and any other document it is entitled to under Section 2(A) hereof. Assignor hereby authorizes the Register of Copyrights of the United States, and the corresponding entities or agencies in any applicable foreign countries or multinational authorities, to record Assignee as the assignee and owner of the Transferred Copyrights, and to

deliver to Assignee and to Assignee's attorneys, agents, representatives, successors or assigns, all official documents and communications as may be warranted by this Copyright Assignment Agreement, including Certificates of Copyright in the Transferred Copyrights.

4. Governing Law; Venue; Jury Trial. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Assignment and all claims or causes of action (whether in contract or in tort, in law or in equity or granted by statute) that may be based upon, arise out of or relate to this Assignment or the negotiation, execution or performance of this Assignment (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Assignment or as an inducement to enter into this Assignment) shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other Law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto.. The venue and waiver of jury trial provisions of Section 13.8 of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*.

5. General Provisions. All capitalized terms used in this Copyright Assignment Agreement and not defined herein shall have the meanings set forth in the Purchase Agreement. Whenever the word "including" is used in this Copyright Assignment Agreement, it shall be deemed to be followed by the words "without limitation" and whenever the word "or" is used in this Copyright Assignment Agreement, it is used in the inclusive sense of "and/or." This Copyright Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Copyright Assignment Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Copyright Assignment Agreement. This Copyright Assignment Agreement, along with its Exhibit, the IP Assignment Agreement, the other Transaction Documents, the Purchase Agreement and the Schedules and Exhibits of the IP Assignment Agreement, the other Transaction Documents and the Purchase Agreement, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between and among the parties with respect to the subject matter hereof. This Copyright Assignment Agreement may not be amended, modified, supplemented, changed or waived in any manner except by a writing signed by all parties hereto. The failure of any party to enforce any terms or provisions of this Copyright Assignment Agreement shall not waive any of its rights under such terms or provisions. Each of the parties shall be entitled to injunctive or other equitable relief to prevent or cure breaches of this Copyright Assignment Agreement and, in addition to any other remedy to which they are entitled at Law or in equity, to enforce specifically the terms and provisions hereof, such remedy being in addition to any other remedy to which any party may be entitled at Law or in equity. This Copyright Assignment Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns. In the event of any conflict between the Purchase Agreement and this Copyright Assignment Agreement, the provisions of the Purchase Agreement shall control.

[Remainder of this page intentionally left blank]

WHEREFORE, Assignor and Assignee have duly executed this Copyright Assignment Agreement on the date indicated below.

Date: _____, _____

ASSIGNOR

By _____
Name:
Title:

State of _____)
ss.:
County of _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared, _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is signed on the preceding instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which this individual acted, executed the instrument.

Notary Public

My commission expires: _____

Dated: _____

Date: _____, _____

ASSIGNEE

By _____
Name:
Title:

EXHIBIT A

TRANSFERRED COPYRIGHTS²²

Copyright	Owner	Application Number	Application Date	Registration Number	Registration Date

²² **Note to Draft:** Exhibit A shall be populated with those Copyrights listed on Schedule 2.1(a)(iv) to the Purchase Agreement, provided that Exhibit A shall also include any registered or applied-for Copyright included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(iv).

SCHEDULE 4

FORM OF

DOMAIN NAME ASSIGNMENT AGREEMENT

This DOMAIN NAME ASSIGNMENT AGREEMENT, effective as of [●] (“**Effective Date**”), is between [●]²³ (“**Assignor**”) and [●]²⁴ (“**Assignee**”).

W I T N E S S E T H:

WHEREAS, Sears Holdings Corporation, a corporation organized and existing under the laws of Delaware (“**SHC**”, together with each of its Subsidiaries party thereto, the “**Sellers**”) and [Assignee]²⁵ have entered into that certain Asset Purchase Agreement, dated [●] (the “**Purchase Agreement**”), pursuant to which Sellers have agreed to sell, convey, transfer, assign and deliver to Assignee, and [Assignee together with any applicable Affiliated Designees]²⁶ have agreed to purchase from Sellers, all of their respective right, title and interest in, to and under all Internet domain names included in the Acquired Intellectual Property, including without limitation those Internet domain names listed in Exhibit A (such Domain Names, the “**Transferred Domain Names**”);

WHEREAS, Assignor is the registered owner of the Transferred Domain Names; and

WHEREAS, pursuant to the Purchase Agreement, Assignor agrees to sell, convey, transfer, assign and deliver to Assignee, and Assignee wishes to acquire from Assignor, Assignor’s entire right, title and interest in, to and under the Transferred Domain Names.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained in this Domain Names Assignment Agreement, in the Purchase Agreement, in the IP Assignment Agreement and in the other Transaction Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Assignment.** Pursuant to and subject to the terms and conditions of the Purchase Agreement, Assignor, as of the Effective Date, hereby irrevocably sells, conveys, transfers and assigns to Assignee, and its successors and assigns, and Assignee hereby accepts,

²³ **Note to Draft:** To duplicate the short-form and replace Assignor with each Assignor listed as a record owner of the Domain Names under Schedule 2.1(a)(v) to the Purchase Agreement (or the record owner of any other Domain Names included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(v)).

²⁴ **Note to Draft:** Prior to the Closing, Transform Holdco LLC may designate (i) itself as Assignee, (ii) itself and an Affiliated Designee to each receive a portion of the Transferred Domain Names, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and such assignee, (iii) itself and more than one Affiliated Designee to each receive a portion of the Transferred Domain Names, in which case, a separate short-form assignment agreement in the form hereof will be executed for each of Transform Holdco LLC and each such assignee or (iv) more than one Affiliated Designee to each receive a portion of the Transferred Domain Names, in which case, a separate short-form assignment agreement in the form hereof will be executed for each such Affiliate.

²⁵ **Note to Draft:** To adjust the party if Assignee is not Transform Holdco LLC.

²⁶ **Note to Draft:** If Assignee is not Transform Holdco LLC, this bracketed language should be replaced with “Transform Holdco LLC together with any applicable Affiliate Designees”.

Assignor's entire right, title and interest in, to and under the Transferred Domain Names, together with all rights derived therefrom, including statutory and contractual rights, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns and other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this Domain Name Assignment Agreement had not been made, together with (A) the rights to all causes of action (whether known or unknown or whether currently pending, filed or otherwise) and other enforcement rights under, or on account of, any of the Transferred Domain Names (B) all rights to collect past and future income, royalties, damages and other payments nor or hereafter due or payable under or on account of any of the Transferred Domain Names, (C) the right to fully and entirely stand in the place of Assignor in all matters related to the Transferred Domain Names and (D) all other rights corresponding to the Transferred Domain Names. This foregoing assignment is intended to be an absolute assignment and not by way of security.

2. Cooperation. (A) Assignor shall, at its expense, timely take all reasonable actions and execute and deliver all documents (including affidavits, testimonies, declarations, oaths, samples, exhibits and specimens) that Assignee may reasonably request to effect the terms of this Domain Name Assignment Agreement and to assist Assignee in changing the registrant, technical and administrative contact information for the Transferred Domain Names with the applicable domain name registrars to such information of Assignee's choice (including, without limitation, by delivering to Assignee any and all applicable user names and passwords for any accounts related to the Transferred Domain Names to enable Assignee to assume control of the Transferred Domain Names) and in obtaining, securing, maintaining and enforcing its rights in, to and under the Transferred Domain Names worldwide.

(B) If Assignee is unable for any reason to secure Assignor's signature to any document it is entitled to under Section 2(A) hereof, Assignor hereby irrevocably designates and appoints Assignee, and Assignee's duly authorized officers, agents and representatives, as its agents and attorneys-in-fact with full power of substitution to act for and on the behalf and instead of Assignor, to execute and file any such document or documents and to do all other lawfully permitted acts to effect the terms of this Domain Name Assignment Agreement with the same legal force and effect as if executed by Assignor. Assignor shall not enter into any agreement in conflict with this Domain Name Assignment Agreement.

3. Governing Law; Venue; Jury Trial. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Assignment and all claims or causes of action (whether in contract or in tort, in law or in equity or granted by statute) that may be based upon, arise out of or relate to this Assignment or the negotiation, execution or performance of this Assignment (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Assignment or as an inducement to enter into this Assignment) shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to Contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other Law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto. The venue and waiver of jury trial provisions of Section 13.8 of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*.

4. General Provisions. All capitalized terms used in this Domain Name Assignment Agreement and not defined herein shall have the meanings set forth in the Purchase Agreement. Whenever the word “including” is used in this Domain Name Assignment Agreement, it shall be deemed to be followed by the words “without limitation” and whenever the word “or” is used in this Domain Name Assignment Agreement, it is used in the inclusive sense of “and/or.” This Domain Name Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Domain Name Assignment Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Domain Name Assignment Agreement. This Domain Name Assignment Agreement, along with its Exhibit, the IP Assignment Agreement, the other Transaction Documents, the Purchase Agreement and the Schedules and Exhibits of the IP Assignment Agreement, the other Transaction Documents and the Purchase Agreement, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between and among the parties with respect to the subject matter hereof. This Domain Name Assignment Agreement may not be amended, modified, supplemented, changed or waived in any manner except by a writing signed by all parties hereto. The failure of any party to enforce any terms or provisions of this Domain Name Assignment Agreement shall not waive any of its rights under such terms or provisions. Each of the parties shall be entitled to injunctive or other equitable relief to prevent or cure breaches of this Domain Name Assignment Agreement and, in addition to any other remedy to which they are entitled at Law or in equity, to enforce specifically the terms and provisions hereof, such remedy being in addition to any other remedy to which any party may be entitled at Law or in equity. This Domain Name Assignment Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns. In the event of any conflict between the Purchase Agreement and this Domain Name Assignment Agreement, the provisions of the Purchase Agreement shall control.

[Remainder of this page intentionally left blank]

WHEREFORE, Assignor and Assignee have duly executed this Domain Name Assignment Agreement on the date indicated below.

Date: _____, _____

ASSIGNOR

By _____
Name:
Title:

State of _____)
ss.:
County of _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared, _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is signed on the preceding instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which this individual acted, executed the instrument.

Notary Public

My commission expires: _____

Dated: _____

Date: _____, _____

ASSIGNEE

By _____
Name:
Title:

EXHIBIT A

TRANSFERRED DOMAIN NAMES²⁷

Domain Name

²⁷ **Note to Draft:** Exhibit A shall be populated with those Domain Names listed on Schedule 2.1(a)(v) to the Purchase Agreement, provided that Exhibit A shall also include any registered or applied-for Domain Names included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(v).

Exhibit C
FORM OF
POWER OF ATTORNEY

[●]¹ (“Assignor”) hereby appoints Transform Holdco LLC (“**Assignee**”) and its successors, assigns and transferees (such appointment being coupled with an interest) as its true and lawful agent and attorney-in-fact, with the authority and the full power of substitution, in the name and stead of Assignor but on behalf and for the benefit of Assignee, to take and execute in the name of Assignor any and all actions and documents that may be deemed proper to effectuate, consummate, record, perfect or confirm the assignment, transfer, conveyance and delivery to Assignee of all intellectual property owned by Assignor, including the trademark registrations and applications set forth on Schedule A (the “**Listed Trademarks**”), the patents and patent applications set forth on Schedule B (the “**Listed Patents**”), the copyright registrations and applications set forth on Schedule C (the “**Listed Copyrights**”), the domain names set forth on Schedule D (the “**Listed Domain Names**”), the social media accounts, identifiers and handles set forth on Schedule E (the “**Listed Media Accounts**”) and the trade names, fictitious business names, corporate names and d/b/a names set forth on Schedule F (the “**Listed Business Names**”). This Power of Attorney includes the authority to delegate, and to appoint attorneys and agents.

This document is effective as of [●]². This Power of Attorney does not prevent or restrict Assignor in any manner from acting on its own behalf with respect to taking and executing any and all actions and documents that may be deemed proper to effectuate, consummate, record, perfect or confirm the assignment, transfer, conveyance and delivery to Assignee of all such intellectual property.

Assignor hereby ratifies and confirms whatever Assignee does or purports to do in good faith in the exercise of any power conferred by this Power of Attorney. Assignor declares that a person who deals with Assignee may accept a written statement signed by Assignee, its delegates,

¹ **Note to Draft:** To duplicate this Power of Attorney and replace Assignor with each Assignor listed as a record owner of the Trademarks, Patents, Copyrights, Domain Names and Media Accounts set forth Schedule 2.1(a) to the Purchase Agreement (or the record owner of any other registered, issued or applied-for Intellectual Property included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)).

² **Note to Draft:** The effective date of this Power of Attorney shall be the Closing Date.

attorneys, or agents, to the effect that this Power of Attorney has not been revoked as conclusive evidence of that fact.

Assignee hereby agrees to indemnify, defend and hold harmless Assignor, for so long as Assignor is in existence, from and against any and all losses resulting from third party claims that arise out of Assignee's acts in the exercise of any power conferred solely by this Power of Attorney.

WHEREFORE, Assignor has duly executed this Power of Attorney on the date indicated below.

Date: _____, _____

ASSIGNOR

By _____
Name:
Title:

State of _____)
ss.:
County of _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared, _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is signed on the preceding instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which this individual acted, executed the instrument.

Notary Public

My commission expires: _____

Dated: _____

Schedule A

LISTED TRADEMARKS³

³ **Note to Draft:** Schedule A shall be populated with those Trademarks listed on Schedule 2.1(a)(i) to the Purchase Agreement, provided that Schedule A shall also include any registered or applied-for Trademark included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(i).

Schedule B

LISTED PATENTS⁴

⁴ **Note to Draft:** Schedule B shall be populated with those Patents listed on Schedule 2.1(a)(iii) to the Purchase Agreement, provided that Schedule B shall also include any issued or applied-for Patent included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(iii).

Schedule C

LISTED COPYRIGHTS⁵

⁵ **Note to Draft:** Schedule C shall be populated with those Copyrights listed on Schedule 2.01(a)(iv) to the Purchase Agreement, provided that Schedule C shall also include any registered or applied-for Copyright included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(iv).

Schedule D

LISTED DOMAIN NAMES⁶

⁶ **Note to Draft:** Schedule D shall be populated with those Domain Names listed on Schedule 2.1(a)(v) to the Purchase Agreement, provided that Schedule D shall also include any Domain Names included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(v).

Schedule E

LISTED MEDIA ACCOUNTS⁷

⁷ **Note to Draft:** Schedule E shall be populated with those Media Accounts listed on Schedule 2.1(a)(vi) to the Purchase Agreement, provided that Schedule E shall also include any Media Accounts included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(vi).

[Schedule E to Power of Attorney]

Schedule F

LISTED BUSINESS NAMES⁸

⁸ **Note to Draft:** Schedule F shall be populated with those Business Names listed on Schedule 2.1(a)(ii) to the Purchase Agreement, provided that Schedule F shall also include any Business Names included in the Acquired Intellectual Property identified after signing and not listed on Schedule 2.1(a)(ii).

[Schedule F to Power of Attorney]

Exhibit D
OCCUPANCY AGREEMENT

THIS OCCUPANCY AGREEMENT (“Occupancy Agreement”) is effective as of the [●] day of [●], 2018, by and between Sears Holdings Corporation, a Delaware corporation (“Licensor”) and [●] (“Licensee”).

RECITALS:

A. Licensor and Licensee are parties to that certain Asset Purchase Agreement dated as of [●], 2018 (the “Purchase Agreement”) pursuant to which the Licensor agreed to sell to the Licensee the Designation Rights and the Acquired Assets and to transfer to Licensee the Assumed Liabilities and the Licensee agreed to purchase from the Licensor the Designation Rights and the Acquired Assets and to assume from the Licensor the Assumed Liabilities, in each case on the terms and subject to the conditions set forth in the Purchase Agreement.

B. Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement.

C. The transactions contemplated by the Purchase Agreement were consummated on the date hereof (“Closing Date”);

D. Prior to the Closing Date, the Business and one or more affiliates of Licensor occupied the Leased Properties related to the Designatable Leases.

E. Pursuant to Section 5.1(c) of the Purchase Agreement, the operation of the Lease Premises for each of the Leased Properties associated with the (x) Operating Leased Stores during the Designation Rights Period and (y) GOB Leased Stores following the end of the applicable GOB Period for each such GOB Leased Stores until the end of the Designation Rights Period (collectively, the “Occupancy Leased Premises”) will be governed by the terms of this Occupancy Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements set forth herein, Licensor and Licensee do hereby agree as follows:

1. Grant of License. Licensor hereby grants to Licensee an exclusive license to use and occupy the Occupancy Leased Premises during the Term (as defined below). It is hereby specifically acknowledged and agreed to by both Licensor and Licensee that this

Occupancy Agreement is not intended to negate or supersede the terms of the Purchase Agreement nor are the terms of the Purchase Agreement intended to negate or supersede the terms of this Occupancy Agreement, and to the extent of any conflict, the terms of the Purchase Agreement shall govern and control.

2. Use.

(a) The Occupancy Leased Premises may be used by Licensee in a manner that is substantially similar to the manner in which the Occupancy Leased Premises were used for the operation of the Business immediately prior to the Closing Date; provided, that for the avoidance of doubt, Licensee shall not be required to conduct business in the GOB Leased Stores in any manner following the end of the GOB Period. Subject to the terms of the Purchase Agreement, Licensee shall comply with all federal, state and local governmental laws, rules, regulations and ordinances applicable to Licensee's use and/or occupancy of the Occupancy Leased Premises during the Term (collectively, the "Applicable Laws") and with any leases or other agreements affecting Licensor's rights with respect to the Occupancy Leased Premises. During the Designation Rights Period, Licensee will be permitted to operate the Occupancy Leased Premises pursuant to this Occupancy Agreement.

3. Term. The term of this Occupancy Agreement (the "Term") shall, with respect to each Operating Leased Store commence on the Closing Date and with respect to each GOB Leased Store commence on the day immediately following the end of the GOB Period, and shall, in each case, expire with respect to each Occupancy Leased Premises upon the expiration of the Designation Rights Period as set forth in the Purchase Agreement.

4. Consideration. Licensee shall not have any obligation to pay any compensation to Licensor for the use and/or occupancy of the Occupancy Leased Premises during the Term other than that set forth in the Purchase Agreement.

5. Expenses; Condition of Occupancy Leased Premises. Licensee shall pay directly (or reimburse Licensor) for all Expenses incurred in connection with the Occupancy Leased Premises during the Term solely in accordance with Section 5.1(b) the Purchase Agreement. Licensee agrees, at its sole cost and expense, to (i) repair any damage to the Occupancy Leased Premises that arises as a result of a casualty event occurring during the Term and (ii) maintain the Occupancy Leased Premises during the Term in a condition substantially similar to that existing as of the Closing Date; provided, that for the avoidance of doubt, Licensee shall not be required to conduct business in the GOB Leased Stores in any manner following the end of the GOB Period.

6. Alterations. During the Term, Licensee shall not make any material alterations to or undertake any material construction at the Occupancy Leased Premises, including modifications to the exterior of the building and signage, without the prior written approval of Licensor, such approval not to be unreasonably withheld, delayed or conditioned.

7. Liens. During the Term, Licensee shall keep the Occupancy Leased Premises and appurtenant easements free from any liens (other than Permitted Post-Closing Encumbrances) for any labor or material furnished to Licensee in connection with any work performed at the Occupancy Leased Premises by Licensee or its contractors or agents during the Term, except that Licensee shall have the right to contest the validity or amount of any such lien provided that Licensee shall maintain adequate reserves with respect to the same contest, to the extent required in accordance with GAAP.

8. Surrender. If the Designatable Lease for any Occupancy Leased Premises does not become designated for assumption and assignment pursuant to a Buyer Assumption Notice on or before the end of the Designation Rights Period in accordance with [Section 5.2] of the Purchase Agreement, then upon expiration of the Term, Licensee shall remove all Acquired Inventory and other personal property from the Occupancy Leased Premises prior to expiration of the Term and shall deliver possession of the Occupancy Leased Premises to Licensors with all Inventory and other personal property removed and otherwise in substantially the same condition as existed on the Closing Date. Any Licensee's property left on the Occupancy Leased Premises after expiration of the Term shall be deemed abandoned and Licensors shall have no Liability with respect thereto and Licensors may dispose of and/or demolish any such property without compensation to Licensee.

9. As Is. Subject to the terms of the Purchase Agreement, Licensee hereby acknowledges that Licensee accepts the Occupancy Leased Premises in "AS IS" condition without any representation or warranty of any kind. Licensee has performed and is relying solely on its own investigation or independent inquiries as to the condition of the Occupancy Leased Premises or Licensee has elected to waive any right to perform its own investigation or independent inquiries as to the condition of the Occupancy Leased Premises and agrees that, except as set forth in the Purchase Agreement, Licensee is not relying on any representation of Licensors regarding the physical condition of the Occupancy Leased Premises, any environmental matters affecting the Occupancy Leased Premises or regarding the suitability of the Occupancy Leased Premises for any particular purpose. [Subject to the terms of the Purchase Agreement,]Licensee agrees to accept the Property from Licensors in such condition.

10. Risk of Loss. Licensee shall bear the responsibility and Liability for any loss of or damage to any Inventory or any of Licensee's property located at, on or about the Occupancy Leased Premises during the Term.

11. Insurance, Indemnity.

(a) Licensors shall have the sole obligation to maintain insurance with respect to the Occupancy Leased Premises during the Term and during the Term Licensors shall maintain casualty, Liability and other insurance with respect to the Occupancy Leased Premises that is substantially similar to the insurance coverage maintained by Licensors with respect to the Occupancy Leased Premises prior to the date of the Purchase Agreement.

(b) Licensee shall indemnify and hold Licensors and Licensors' parents, subsidiaries and affiliated companies and their respective officers, directors, shareholders, agents, employees, invitees, customers, guests, contractors or subcontractors (collectively, "Licensors Parties") harmless from and against all claims, actions, losses, damages, costs and expenses (including without limitation all reasonable attorney's fees and court costs), and Liabilities (except those caused by the willful misconduct or grossly negligent acts or omissions of Licensors after the Closing Date), arising out of Licensee's use and occupancy of the Occupancy Leased Premises, including without limitation, any of same arising out of actual or alleged injury to or death of any person or loss of or damage to property in or on the Occupancy Leased Premises, in each case solely during the Term. The terms of this paragraph shall survive the termination of this Occupancy Agreement.

12. Destruction (Fire or Other Cause) and Eminent Domain. In the event of casualty or taking of all of any part of the Occupancy Leased Premises under the power of eminent domain, all insurance recoveries and all warranty and condemnation proceeds received or receivable during the Term with respect to such Occupancy Leased Premises shall be held in escrow with a depository institution selected by Licensors and Licensee solely in their reasonable discretion, and immediately following the Designation Rights Period, such depository institution shall either (i) pay any such recoveries or proceeds to Licensee to the extent relating to any Designatable Lease that is an Acquired Lease or (ii) pay any such recoveries or proceeds to Licensors to the extent relating to any Designatable Lease that is not an Acquired Lease. During the Term, Licensee will use commercially reasonable efforts to provide Licensors with prompt notice of any Casualty/Condemnation Event.

13. Assignment. Except as otherwise provided in the Purchase Agreement, during the Term of this Occupancy Agreement, Licensee shall not assign this Occupancy Agreement or further license the use and/or occupancy of all or any part of the Occupancy Leased Premises.

14. Notices. Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be delivered (a) in person, (b) via e-mail or (c) by a nationally recognized courier for overnight delivery service. A notice or communication shall be deemed to have been effectively given (i) if in person, upon personal delivery to the Party to whom the notice is directed, (ii) if via e-mail, on the date of successful transmission and (iii) if by nationally recognized courier, one Business Day after delivery to such courier. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed as follows:

If to Licensee:	Sears Holdings Corporation 3333 Beverly Road, Dept. 824RE Hoffman Estates, Illinois 60179 Attn: General Counsel; Senior Vice President and President, Real Estate
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Email: counsel@searshc.com; [●]

Copy to (which shall not constitute notice): Sears Holdings Corporation
3333 Beverly Road, Dept. 824RE
Hoffman Estates, Illinois 60179
Attn: Associate General Counsel, Real Estate
Email: [●]

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Ray C. Schrock, P.C., Ellen J.
Odoner, Gavin Westerman and Sunny Singh
E-mail: Ray.Schrock@weil.com;
Ellen.Odoner@weil.com;
Gavin.Westerman@weil.com;
Sunny.Singh@weil.com

If to Licensor: [●]

Copy to (which shall not constitute notice): Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Christopher E. Austin, Benet J.
O'Reilly, Sean A. O'Neal and Joseph
Lanzkron
E-mail: caustin@cgsh.com;
boreilly@cgsh.com; soneal@cgsh.com,
jlanzchron@cgsh.com

or to any other address furnished in writing by either party, provided that, any change of address furnished shall comply with the notice requirements of this Section 14.

15. Licensor Access. During the Term of this Occupancy Agreement, Licensor shall only be permitted access to the Occupancy Leased Premises in the event of an emergency or as otherwise reasonably requested by Licensor by reasonable notice to Licensee, provided that there is no unreasonable interference with Licensee's use and occupancy of the Occupancy Leased Premises (taking into account the nature of the emergency).

16. Miscellaneous.

(c) Voluntary Agreement. The parties have read this Occupancy Agreement and the mutual releases contained in it, and on advice of counsel they have freely and voluntarily entered into this Occupancy Agreement.

(d) Governing Law. This Occupancy Agreement shall be construed and enforceable in accordance with the laws indicated in Section 13.8(a) of the Purchase Agreement. Any lawsuit brought by Licensor or Licensee against the other must comply with the requirements of [Section 13.7] of the Purchase Agreement.

(e) Consent to Jurisdiction. Without limitation of any party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Occupancy Agreement and to decide any claims or disputes which may be based upon, arise out of or relate to this Occupancy Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Proceeding; provided, however, that, if the Bankruptcy Case is closed, all Proceedings based upon, arising out of or relating to this Occupancy Agreement shall be heard and determined in a Delaware state court or a federal court sitting in the State of Delaware, and the parties hereby (a) irrevocably and unconditionally submit to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or in the event (but only in the event) that such court does not have subject matter jurisdiction over such Proceeding in the United States District Court for the District of Delaware) with respect to all Proceedings based upon, arising out of or relating to this Occupancy Agreement and the transactions contemplated hereby (whether in contract or in tort, in law or in equity or granted by statute); (b) agree that all claims with respect to any such Proceeding shall be heard and determined in such courts and agrees not to commence any Proceeding relating to this Occupancy Agreement or the transactions contemplated hereby (whether in contract or in tort, in law or in equity or granted by statute) except in such courts; (c) irrevocably and unconditionally waive any objection to the laying of venue of any Proceeding based upon, arising out of or relating to this Occupancy Agreement or the transactions contemplated hereby and irrevocably and unconditionally waives the defense of an inconvenient forum; and (d) agree that a final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. The Parties agree that any violation of this Section 16(b) shall constitute a material breach of this Occupancy Agreement and shall constitute irreparable harm. Notwithstanding anything to the contrary contained in this Occupancy Agreement or in the Purchase Agreement, each of the Parties agrees that it will not bring or support any person in any Proceeding of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any of the Debt Financing Sources in any way relating to this Occupancy Agreement or the Purchase Agreement or any of the transactions contemplated by either, including any dispute arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby, in any forum other than the federal and New York state courts located in the Borough of Manhattan within the City of New York and any appellate courts therefrom. The Debt Financing Sources are intended third party beneficiaries of this Section 16(b).

(f) WAIVER OF TRIAL BY JURY; INJUNCTION. LICENSOR AND LICENSEE EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY PROCEEDING DIRECTLY OR INDIRECTLY BASED UPON, ARISING OUT OF OR RELATING TO THIS OCCUPANCY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT OR IN TORT, IN LAW OR IN EQUITY OR GRANTED BY STATUTE). EACH OF LICENSOR AND LICENSEE (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER SUCH PARTY HAVE BEEN INDUCED TO ENTER INTO THIS OCCUPANCY AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 16(c). THE DEBT FINANCING SOURCES ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS SECTION 16(c).

(g) Agreements. This Occupancy Agreement together with the Purchase Agreement and the other Transaction Documents constitutes the entire agreement between Licensee and Licensor with respect to the subject matter hereof, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, or understandings, either oral or written, between them concerning the Occupancy Leased Premises other than those herein and therein set forth. Nothing in this Occupancy Agreement shall alter any Liability arising under the Purchase Agreement. If there is any conflict or inconsistency between the provisions of the Purchase Agreement and this Occupancy Agreement, the provisions of the Purchase Agreement shall govern.

(h) Amendment; Waiver. No amendment, modification or discharge of this Occupancy Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by Licensee and Licensor. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Licensee or Licensor of a breach of or a default under any of the provisions of this Occupancy Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Occupancy Agreement or to exercise any right or privilege hereunder shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. No course of dealing between or among the parties shall be deemed effective to modify, amend or discharge any part of this Occupancy Agreement or any rights to payment of any party under or by reason of this Occupancy Agreement.

(i) Headings. The headings, captions, numbering system, etc., are inserted only as a matter of convenience and may under no circumstances be considered in interpreting the provisions of this Occupancy Agreement.

(j) Binding Effect. All of the provisions of this Occupancy Agreement are hereby made binding upon and shall inure to the benefit of the personal representatives, heirs, successors, and assigns of both parties hereto.

(k) Counterparts. This Agreement may be executed in any number of counterparts (including via electronic transmission in portable document format (pdf)) with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Occupancy Agreement. This Occupancy Agreement shall become effective when, and only when, each party shall have received a counterpart hereof signed by the other party. Delivery of an executed counterpart hereof by means of electronic transmission in portable document format (pdf) shall have the same effect as delivery of a physically executed counterpart in person.

(l) Construction. This Occupancy Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that the Occupancy Agreement may have been prepared primarily by counsel for one of the parties, it being recognized that both Licensor and Licensee have contributed substantially and materially to the preparation to this Occupancy Agreement.

(m) Time is of the Essence. Time is of the essence with respect to the timeliness of all obligations of Licensor and Licensee under this Occupancy Agreement.

(n) No Recording. Neither Licensor nor Licensee shall record this Occupancy Agreement.

(o) Exculpation. Notwithstanding anything to the contrary contained herein, no officer, director, shareholder, employee, agent, manager, member or partner of Licensor or Licensee or any other Non-Recourse Party shall have any personal Liability with respect to any of the obligations contained herein. The provisions of this Section 16(n) shall survive the expiration of the Designation Rights Period or any earlier termination of this Occupancy Agreement.

(p) Savings Clause. To the extent any agreement to which Licensor or its Subsidiaries is a party prohibits or limits the ability of Licensor to enter into this Occupancy Agreement or limits the rights which may be granted pursuant to this Occupancy Agreement, then the rights granted pursuant to this Occupancy Agreement will automatically and without further action be limited to the maximum rights that may be granted in compliance with such other agreement and Licensor and Licensee will cooperate in all reasonable respects in order to grant to Licensee the material benefits intended to be provided pursuant to this Occupancy Agreement and remain in compliance with such other agreement.

(q) 17. Severability. The provisions of this Occupancy Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Occupancy Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry

out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Occupancy Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

[Signatures Appear on Following Page.]

LICENSEE:

[_____] , a [_____]

By: _____

Name: _____

Title _____

[Signature Page to Occupancy Agreement]

[AM_ACTIVE 401039999_2]

LICENSOR:

[SEARS HOLDINGS CORPORATION, a
Delaware corporation]

By: _____

Name: _____

Title _____

[Signature Page to Occupancy Agreement]

[AM_ACTIVE 401039999_2]

Exhibit E

FORM ASSIGNMENT AND ASSUMPTION OF LEASE

Sears Store #[_____] – [City], [State]

Between

[_____]

as Assignor

and

Transform Holdco LLC,

a Delaware Limited Liability Company

as Assignee

Dated: [_____, 2019]

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (the "Assignment") is made effective as of this ____ day of _____, 2019 ("Effective Date"), by and [_____, a _____] ("Assignor") and Transform Holdco LLC, a Delaware Limited Liability Company ("Assignee" and together with Assignor, individually a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, Assignor is a direct or indirect subsidiary of Sears Holdings Corporation, a Delaware corporation ("Sears");

WHEREAS, Sears and Assignee are parties to that certain Asset Purchase Agreement dated as of [_____] 2019 (the "Purchase Agreement") (capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Purchase Agreement);

WHEREAS, Assignor, as tenant, is a party to that certain lease agreement described in **Exhibit A** attached hereto and incorporated herein by reference (the "Assumed Lease"); and

WHEREAS, pursuant to the Assumed Lease, Assignor leases space within certain premises (the "Demised Premises"), as more particularly described in the Assumed Lease; and

WHEREAS, pursuant to the Purchase Agreement, Assignor has agreed that Assignor or one or more of its subsidiaries shall sell, convey, transfer and assign certain assets and liabilities, including the Assumed Lease and, subject to the provisions of the Purchase Agreement, all liabilities arising thereunder, to the extent such liabilities arise or accrue on or after the date hereof (the "Assumed Lease Liabilities"), and Assignee has agreed that Assignee shall purchase the Assumed Lease and assume the Assumed Lease Liabilities.

WHEREAS, subject to the provisions of the Purchase Agreement, Assignor shall retain and remain responsible for all liabilities arising under the Assumed Lease, solely to the extent such liabilities arise or accrue prior to the date hereof (the "Excluded Lease Liabilities").

WHEREAS, pursuant to this Assignment, Assignee shall assume and become responsible for the Assumed Lease and the Assumed Lease Liabilities.

NOW, THEREFORE, in consideration of the Demised Premises and covenants hereinafter contained, in consideration of the representations, warranties and covenants contained in the Purchase Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereto desire to enter into this Assignment on the terms set forth herein.

Intending to be legally bound, the Parties hereto agree as follows:

1. The recitals set forth above are accurate, represent the intent of the parties hereto and are incorporated herein by reference.
2. Effective as of the date hereof, Assignor does hereby irrevocably grant, bargain, sell, assign, transfer and set over unto Assignee and Assignee hereby purchases, acquires, and accepts from Assignor, all of Assignor's right, title and interest in and to and its obligations under the Assumed Lease. Effective as of the date hereof, Assignee hereby assumes and becomes responsible for all

of the Assumed Lease Liabilities, but not the Excluded Lease Liabilities, and does hereby assume and agree to perform all of the obligations of Landlord under the Assumed Lease.

3. Assignor and the Assignee shall, and shall cause their respective affiliates to execute, acknowledge and deliver all further conveyances, notices, assumptions, releases, consents, assurances, powers of attorney and such other instruments, and shall take such further actions, as may reasonably be necessary or appropriate to assure fully to the Assignee and its respective successors or permitted assigns, all of the Assignor's rights, titles and interests in, to and under, the Assumed Lease, and to assure fully to Assignor and its affiliates and their respective successors and permitted assigns, the assumption of the Assumed Lease Liabilities and to otherwise make effective and carry out the purpose and intent of this Assignment.
4. This Assignment shall be binding upon and inure to the benefit of the Assignee and Assignor and their respective successors and permitted assigns.
5. Each party hereto represents and warrants that it has full authority to enter into and perform this Assignment without the consent or approval of any other person or entity and it has the full and complete authority to bind such party.
6. This Assignment may be executed in counterparts, each of which shall be deemed to be an original and all of which, collectively, shall be deemed to constitute one and the same Assignment. This Assignment may also be executed by .pdf file transmission via electronic mail, and .pdf file signatures shall have the same force and effect as originals, provided however, any party delivering a .pdf file signature will, upon request by the receiving party, deliver an original signature.
7. No modification, waiver, amendment, discharge or change of this Assignment shall be valid unless the same is in writing and signed by the party against which enforcement of such modification, waiver, amendment, discharge or change is or may be sought.
8. This Assignment is executed and delivered pursuant to the Purchase Agreement. In the event of a conflict between the terms and conditions of this Assignment and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, supersede and prevail.
9. This Assignment shall be governed by the Laws of the state in which the Demised Premises are located, except to the extent that the Laws of such state are superseded by the Bankruptcy Code.

[The remainder of this page is intentionally left blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set forth above.

ASSIGNOR:

[_____]
a [_____]

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set forth above.

ASSIGNEE:

Transform Holdco LLC,
a Delaware Limited Liability Company

By: _____
Name:
Title:

EXHIBIT A

The Assumed Lease

Lease dated [_____] by and between [_____] as Landlord, and [_____] as Tenant, as the same may have been heretofore amended.

Exhibit F

SELLER RETAINED OCCUPANCY AGREEMENT

THIS SELLER RETAINED OCCUPANCY AGREEMENT (“Occupancy Agreement”) is effective as of the [●] day of [●], 2019, by and between [●] (“Licensor”) and [Sears Holdings Corporation, a Delaware corporation] (“Licensee”).

RECITALS:

A. Licensor and Licensee are parties to that certain Asset Purchase Agreement dated as of [●], 2019 (the “Purchase Agreement”) pursuant to which the Licensee agreed to sell to the Licensor (or an affiliate of Licensor) the Acquired Assets and to transfer to Licensor (or an affiliate of Licensor) the Assumed Liabilities and the Licensor (or an affiliate of Licensor) agreed to purchase from the Licensee the Acquired Assets and to assume from the Licensee the Assumed Liabilities, in each case on the terms and subject to the conditions set forth in the Purchase Agreement.

B. Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement.

C. Prior to the Closing Date, the Business and one or more affiliates of Licensee occupied the Owned Real Property.

D. The transactions contemplated by the Purchase Agreement were consummated on the date hereof (“Closing Date”) and title to all of the Owned Real Property was conveyed on the Closing Date to Licensor or an affiliate of Licensor;

D. Because employees and Inventory not being transferred to Licensor and its affiliates will remain located at those Stores included in the Owned Real Property which are identified on Schedule 1 attached hereto (the “GOB Owned Stores”), Licensor and Licensee desire to enter into this Occupancy Agreement in order to set forth the terms by which Licensee shall operate the GOB Owned Stores for a period commencing on the Closing Date and ending at the end of the GOB Period with respect to each GOB Owned Store.

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements set forth herein, Licensor and Licensee do hereby agree as follows:

[AM_ACTIVE 401039999_2]

1. Grant of License. Licensors hereby grants to Licensee an exclusive license to use and occupy the GOB Owned Stores during the Term (as defined below). It is hereby specifically acknowledged and agreed to by both Licensors and Licensee that this Occupancy Agreement is not intended to negate or supersede the terms of the Purchase Agreement nor are the terms of the Purchase Agreement intended to negate or supersede the terms of this Occupancy Agreement, and to the extent of any conflict, the terms of the Purchase Agreement shall govern and control.

2. Use.

(a) The GOB Owned Stores may be used by Licensee in a manner that is substantially similar to the manner in which the GOB Owned Stores were used for the operation of the Business immediately prior to the Closing Date and in addition Licensee may conduct “going out of business” sales at the GOB Owned Stores. Subject to the terms of the Purchase Agreement, Licensee shall comply with all federal, state and local governmental laws, rules, regulations and ordinances applicable to Licensee's use and/or occupancy of the GOB Owned Stores during the Term (collectively, the “Applicable Laws”) and with any leases or other agreements in effect on the date hereof with respect to the GOB Owned Stores. During the period commencing on the Closing Date and ending at the end of the GOB Period. Licensee shall be permitted to operate the GOB Owned Stores pursuant to this Occupancy Agreement.

3. Term. The term of this Occupancy Agreement (the “Term”) shall commence on the Closing Date and shall expire with respect to each GOB Owned Store upon the expiration of the GOB Period for each such GOB Owned Store.

4. Consideration. Licensee shall not have any obligation to pay any compensation to Licensors for the use and/or occupancy of the GOB Owned Stores during the Term.

5. Expenses; Condition of Occupancy Leased Premises. Licensee shall pay directly (or reimburse Licensors) for all Expenses incurred in connection with the GOB Owned Stores in accordance with Section 5.1(a) of the Purchase Agreement during the Term with respect to each such GOB Owned Store. Licensee agrees, at its sole cost and expense, to repair any damage to the Occupancy Leased Premises that arises as a result of a casualty event occurring during the Term applicable to each GOB Owned Store and to maintain the GOB Owned Stores during the Term in a condition substantially similar to that existing as of the Closing Date. Licensors shall not be responsible for the cost of any Expenses incurred with respect to any GOB Owned Store during the Term applicable to each GOB Owned Store.

6. Alterations. During the Term of this Occupancy Agreement, Licensee shall not make any material alterations to or undertake any material construction at the GOB Owned Stores, including modifications to the exterior of the building and signage, without the prior written approval of Licensors, which such approval may be withheld or granted in Licensors’ sole discretion.

7. Liens. During the Term, Licensee shall keep the GOB Owned Stores and appurtenant easements free from any liens (other than Permitted Encumbrances) for any labor or material furnished to Licensee in connection with any work performed at the GOB Owned Stores by Licensee or its contractors or agents during the Term, except that Licensee shall have the right to contest the validity or amount of any such lien provided that Licensee shall maintain adequate reserves with respect to the same contest, to the extent required in accordance with GAAP.
8. Surrender. Licensee shall remove all of its Inventory, other personal property and employees from each GOB Owned Store prior to expiration of the Term applicable to each GOB Owned Store and shall deliver possession of such GOB Owned Store to Licensors with all of Licensee's Inventory, other personal property and employees removed and otherwise in substantially the same condition as existed on the Closing Date. Any Licensee's property left at any GOB Owned Store after expiration of the Term applicable to each GOB Owned Store shall be deemed abandoned and Licensors shall have no Liability with respect thereto and Licensors may dispose of and/or demolish any such property without compensation to Licensee.
9. As Is. Subject to the terms of the Purchase Agreement, Licensee hereby acknowledges that Licensee accepts the GOB Owned Stores in "AS IS" condition without any representation or warranty of any kind. Licensee is relying solely on its own investigation or independent inquiries, or its own history as the owner of the same properties, as to the condition of the GOB Owned Stores and Licensee agrees that Licensee is not relying on any representation of Licensors regarding the physical condition of the GOB Owned Stores, any environmental matters affecting the GOB Owned Stores or regarding the suitability of the GOB Owned Stores for any particular purpose. Licensee agrees to accept the GOB Owned Stores from Licensors in such condition.
10. Risk of Loss. Licensee shall bear the responsibility and Liability for any loss of or damage to any of Licensee's Inventory or any of Licensee's property located at, on or about the GOB Owned Stores during the Term.
11. Insurance, Indemnity.
- (a) Licensors shall have the sole obligation to maintain casualty insurance with respect to the GOB Owned Stores during the Term and during the Term Licensors shall maintain casualty, liability and other insurance with respect to the GOB Owned Stores.
- (b) Licensee shall indemnify and hold Licensors and Licensors's parents, subsidiaries and affiliated companies and their respective officers, directors, shareholders, agents, employees, invitees, customers, guests, contractors or subcontractors (collectively, "Licensors Parties") harmless from and against all claims, actions, losses, damages, costs and expenses (including without limitation all reasonable attorney's fees and court costs), and Liabilities (except those caused by the willful misconduct or grossly negligent acts or omissions of Licensors after the Closing Date), arising out of Licensee's use and occupancy of the GOB Owned Stores, including without limitation, any of same arising out of actual or alleged injury to or death of any person or loss of or damage to property in or on the GOB Owned Stores, in each case, solely during the Term

applicable to each GOB Owned Store. The terms of this paragraph shall survive the termination of this Occupancy Agreement.

12. Destruction (Fire or Other Cause) and Eminent Domain. In the event of casualty or taking of all of any part of any GOB Owned Store under the power of eminent domain, all insurance recoveries and all warranty and condemnation proceeds received or receivable after the Closing Date with respect to such GOB Owned Store shall be paid to Licensor and used by Licensor as it determines in its sole discretion. During the Terms of this Occupancy Agreement, Licensee shall use commercially reasonable efforts to provide Licensor with prompt notice of any Casualty/Condemnation Event.

13. Assignment. During the Term of this Occupancy Agreement, Licensee shall not assign this Occupancy Agreement or further license the use and/or occupancy of all or any part of the GOB Owned Stores.

14. Notices. Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be delivered (a) in person, (b) via e-mail or (c) by a nationally recognized courier for overnight delivery service. A notice or communication shall be deemed to have been effectively given (i) if in person, upon personal delivery to the Party to whom the notice is directed, (ii) if via e-mail, on the date of successful transmission and (iii) if by nationally recognized courier, one Business Day after delivery to such courier. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed as follows:

If to Licensee:	Sears Holdings Corporation 3333 Beverly Road, Dept. 824RE Hoffman Estates, Illinois 60179 Attn: General Counsel; Senior Vice President and President, Real Estate Email: counsel@searshc.com; [●]
-----------------	--

Copy to (which shall not constitute notice):	Sears Holdings Corporation 3333 Beverly Road, Dept. 824RE Hoffman Estates, Illinois 60179 Attn: Associate General Counsel, Real Estate Email: [●]
---	---

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Ray C. Schrock, P.C., Ellen J.
Odoner, Gavin Westerman and Sunny Singh
E-mail: Ray.Schrock@weil.com;

Ellen.Odoner@weil.com;
Gavin.Westerman@weil.com;
Sunny.Singh@weil.com

If to Licensor: [●]

Copy to (which shall not constitute notice): Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Christopher E. Austin, Benet J. O'Reilly, Sean A. O'Neal and Joseph Lanzkron
E-mail: caustin@cgsh.com;
boreilly@cgsh.com; soneal@cgsh.com,
jlanzchron@cgsh.com

or to any other address furnished in writing by either party, provided that, any change of address furnished shall comply with the notice requirements of this Section 14.

15. Licensor Access. During the Term of this Occupancy Agreement, Licensor shall be permitted access to the GOB Owned Stores in the event of an emergency or as otherwise reasonably requested by Licensor by reasonable notice to Licensee, provided that there is no unreasonable interference with Licensee's use and occupancy of the GOB Owned Stores (taking into account the nature of the emergency).

16. Miscellaneous.

(a) Voluntary Agreement. The parties have read this Occupancy Agreement and the mutual releases contained in it, and on advice of counsel they have freely and voluntarily entered into this Occupancy Agreement.

(b) Governing Law. This Occupancy Agreement shall be construed and enforceable in accordance with the laws indicated in Section 13.8(a) of the Purchase Agreement. Any lawsuit brought by Licensor or Licensee against the other must comply with the requirements of Section 13.7 of the Purchase Agreement.

(c) Consent to Jurisdiction. Without limitation of any party's right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Occupancy Agreement and to decide any claims or disputes which may be based upon, arise out of or relate to this Occupancy Agreement, any breach or default hereunder, or the transactions contemplated hereby and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense

of an inconvenient forum to the maintenance of any such Proceeding; provided, however, that, if the Bankruptcy Case is closed, all Proceedings based upon, arising out of or relating to this Occupancy Agreement shall be heard and determined in a Delaware state court or a federal court sitting in the State of Delaware, and the parties hereby (a) irrevocably and unconditionally submit to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or in the event (but only in the event) that such court does not have subject matter jurisdiction over such Proceeding in the United States District Court for the District of Delaware) with respect to all Proceedings based upon, arising out of or relating to this Occupancy Agreement and the transactions contemplated hereby (whether in contract or in tort, in law or in equity or granted by statute); (b) agree that all claims with respect to any such Proceeding shall be heard and determined in such courts and agrees not to commence any Proceeding relating to this Occupancy Agreement or the transactions contemplated hereby (whether in contract or in tort, in law or in equity or granted by statute) except in such courts; (c) irrevocably and unconditionally waive any objection to the laying of venue of any Proceeding based upon, arising out of or relating to this Occupancy Agreement or the transactions contemplated hereby and irrevocably and unconditionally waives the defense of an inconvenient forum; and (d) agree that a final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. The Parties agree that any violation of this Section 16(b) shall constitute a material breach of this Occupancy Agreement and shall constitute irreparable harm. Notwithstanding anything to the contrary contained in this Occupancy Agreement or in the Purchase Agreement, each of the Parties agrees that it will not bring or support any person in any Proceeding of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any of the Debt Financing Sources in any way relating to this Occupancy Agreement or the Purchase Agreement or any of the transactions contemplated by either, including any dispute arising out of or relating in any way to the Debt Commitment Letter or the performance thereof or the financings contemplated thereby, in any forum other than the federal and New York state courts located in the Borough of Manhattan within the City of New York and any appellate courts therefrom. The Debt Financing Sources are intended third party beneficiaries of this Section 16(b).

(d)

WAIVER OF TRIAL BY JURY; INJUNCTION. LICENSOR AND LICENSEE EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY PROCEEDING DIRECTLY OR INDIRECTLY BASED UPON, ARISING OUT OF OR RELATING TO THIS OCCUPANCY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT OR IN TORT, IN LAW OR IN EQUITY OR GRANTED BY STATUTE). EACH OF LICENSOR AND LICENSEE (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER SUCH PARTY HAVE BEEN INDUCED TO ENTER INTO THIS OCCUPANCY AGREEMENT BY, AMONG OTHER

THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 16(c).
THE DEBT FINANCING SOURCES ARE INTENDED THIRD PARTY BENEFICIARIES OF
THIS SECTION 16(c).

(e) Agreements. This Occupancy Agreement together with the Purchase Agreement and the other Transaction Documents constitutes the entire agreement between Licensee and Licensor with respect to the subject matter hereof, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, or understandings, either oral or written, between them concerning the GOB Owned Stores other than those herein and therein set forth. Nothing in this Occupancy Agreement shall alter any Liability arising under the Purchase Agreement. If there is any conflict or inconsistency between the provisions of the Purchase Agreement and this Occupancy Agreement, the provisions of the Purchase Agreement shall govern.

(f) Amendment; Waiver. No amendment, modification or discharge of this Occupancy Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by Licensee and Licensor. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Licensee or Licensor of a breach of or a default under any of the provisions of this Occupancy Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Occupancy Agreement or to exercise any right or privilege hereunder shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. No course of dealing between or among the parties shall be deemed effective to modify, amend or discharge any part of this Occupancy Agreement or any rights to payment of any party under or by reason of this Occupancy Agreement.

(g) Headings. The headings, captions, numbering system, etc., are inserted only as a matter of convenience and may under no circumstances be considered in interpreting the provisions of this Occupancy Agreement.

(h) Binding Effect. All of the provisions of this Occupancy Agreement are hereby made binding upon and shall inure to the benefit of the personal representatives, heirs, successors, and assigns of both parties hereto.

(i) Counterparts. This Agreement may be executed in any number of counterparts (including via electronic transmission in portable document format (pdf)) with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Occupancy Agreement. This Occupancy Agreement shall become effective when, and only when, each party shall have received a counterpart hereof signed by the other party. Delivery of an executed counterpart hereof by means of electronic transmission in portable document format (pdf) shall have the same effect as delivery of a physically executed counterpart in person.

(j) Construction. This Occupancy Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that the Occupancy Agreement may have been prepared primarily by counsel for one of the parties, it being recognized that both Licensors and Licensees have contributed substantially and materially to the preparation to this Occupancy Agreement.

(k) Time is of the Essence. Time is of the essence with respect to the timeliness of all obligations of Licensors and Licensees under this Occupancy Agreement.

(l) No Recording. Neither Licensors nor Licensees shall record this Occupancy Agreement.

(m) Exculpation. Notwithstanding anything to the contrary contained herein, no officer, director, shareholder, employee, agent, manager, member or partner of Licensors or Licensees or any other Non-Recourse Party shall have any personal Liability with respect to any of the obligations contained herein. The provisions of this Section 16(n) shall survive the expiration of the Term or any earlier termination of this Occupancy Agreement.

(n) Savings Clause. To the extent any agreement to which Licensors or its Subsidiaries is a party prohibits or limits the ability of Licensors to enter into this Occupancy Agreement or limits the rights which may be granted pursuant to this Occupancy Agreement, then the rights granted pursuant to this Occupancy Agreement shall automatically and without further action be limited to the maximum rights that may be granted in compliance with such other agreement and Licensors and Licensees shall cooperate in all reasonable respects in order to grant to Licensees the material benefits intended to be provided pursuant to this Occupancy Agreement and remain in compliance with such other agreement.

(o) 17. Severability. The provisions of this Occupancy Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Occupancy Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Occupancy Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability.

[Signatures Appear on Following Page.]

LICENSEE:

**[SEARS HOLDINGS CORPORATION, a
Delaware corporation]**

By: _____

Name: _____

Title _____

[Signature Page to Occupancy Agreement]

[AM_ACTIVE 401039999_2]

LICENSOR:

[_____] , a [_____]

By: _____

Name: _____

Title _____

[Signature Page to Occupancy Agreement]

[AM_ACTIVE 401039999_2]

Schedule 1

[GOB Owned Stores]

[Signature Page to Occupancy Agreement]

[AM_ACTIVE 401039999_2]

Exhibit G
ESL's Allowed Claims Against the Debtors

Loan Facility	Allowed Amount Owed to ESL (as Defined in the Asset Purchase Agreement) Amounts as of October 15, 2018¹
IP/Ground Lease Term Loan Facility	\$187,327,014 ²
FILO Facility	\$70,560,076.93
Real Estate Loan 2020	\$726,483,196.21
Second Lien Term Loan	\$318,610,234
Second Lien Line of Credit Facility	\$507,072,878.33
Second Lien PIK Notes	\$21,346,945
Citi L/C Facility	\$108,410,464.44

¹ Amounts owed to ESL as to each claim listed are not less than the amounts set forth herein and may include additional claims for post-petition interest and all reasonable out-of-pocket expenses, including legal fees incurred by ESL by reason of the enforcement and protection of its rights in accordance with the applicable loan terms, plus any contingent and/or unliquidated claims not presently ascertainable. In the event that the Buyer or its affiliates purchase any additional obligations outstanding under any of the debt facilities listed in this Exhibit G prior to the Closing, the allowed amount in the right hand column shall be increased by the amount of the additional purchased debt obligations.

² On January 3, 2019, ESL purchased \$31,887,343 of obligations outstanding under the IP/ Ground Lease Term Loan Facility, which amount is included in the total of amount of ESL's allowed claim on this Exhibit G

SCHEDULES
TO
ASSET PURCHASE AGREEMENT
DATED AS OF JANUARY 17, 2019
BY AND AMONG
TRANSFORM HOLDCO LLC
AND
SEARS HOLDINGS CORPORATION

SCHEDULES

These schedules (the “Schedules”) are being furnished by Sears Holdings Corporation (“Seller”) to Transform Holdco LLC (“Buyer”), in connection with the execution and delivery of that certain Asset Purchase Agreement dated as of January 17, 2019 by and between Seller and Buyer (the “Agreement”). All capitalized terms used in these Schedules without definition shall have the respective meanings assigned to them in the Agreement.

Any matter disclosed in any Schedule shall be deemed to have also been disclosed in each other Schedule to which the applicability of such disclosure is reasonably apparent on its face. The inclusion of any matter in any Schedule shall expressly not be deemed to constitute an admission by either Party or otherwise imply that any such matter is material, has a Material Adverse Effect or creates a measure for, or further defines the meaning of, materiality or Material Adverse Effect and their correlative terms for the purposes of the Agreement. The inclusion of any matter in any Schedule shall expressly not be deemed constitute an admission by either Party or otherwise imply that such matter will in fact exceed any applicable threshold limitation set forth in the Agreement and shall not be construed as an admission by the disclosing party of any non-compliance with, or violation of, any third party rights (including Intellectual Property rights) or any applicable law of any Governmental Authority.

These Schedules shall not be construed as, are not intended to constitute, and shall not be construed as constituting, representations or warranties of the Seller nor shall these Schedules be construed as expanding the scope of any of the representations or warranties of the Seller contained in the Agreement.

The headings herein are for reference purposes only and shall not in any way affect the meaning or interpretation of the Agreement.

Seller does not assume any responsibility to any person that is neither a Party nor a third party beneficiary of the Agreement for the accuracy of any information contained herein. The information contained in the Schedules was not prepared or disclosed with a view to its potential disclosure to any such person that is neither a Party nor a third party beneficiary of the Agreement. This information is disclosed in confidence for the purposes contemplated in the Agreement.

Schedule 1.1(a)

[Reserved]

Schedule 1.1(b)

[Reserved]

Schedule 1.1(c)

Excluded IT

1. None.

Schedule 1.1(d)

IP/Ground Lease Property

	Store Number	Locations
1.	1044	Jersey City/Newport, NJ
2.	1924	Valley Stream, NY
3.	1114	Brooklyn, NY
4.	1094	Hackensack, NJ
5.	1368	Concord, CA
6.	1378	Orange, CA
7.	1288	Stockton, CA
8.	1304	Silver Spring, MD
9.	1048	Pasadena, CA
10.	1494	Moorestown, NJ
11.	1758	Escondido, CA
12.	1333	Poughkeepsie, NY
13.	2148	Kahului Maui, HI
14.	1765	Palm Beach Gardens, FL
15.	1309	Downey, CA
16.	30962	Groveport, OH

Schedule 1.1(e)

Seller Knowledge Parties

1. Robert A. Riecker, Chief Financial Officer, Sears Holdings Corporation.
2. Solely with respect to the representations and warranties contained in Section 6.6 of the Agreement, Jane Borden, President, Real Estate, Sears Holdings Corporation.
3. Solely with respect to the representations and warranties contained in Section 6.10 of the Agreement, Peter Boutros, Chief Brand Officer, Sears Holdings Corporation and Greg Russell, CIO, President Member Technology, Sears Holdings Corporation.

Schedule 1.1(f)

Ordered Inventory

Ordered Inventory as of January 7th, 2019					
	Domestic		Imports		Total
Total on Order	\$	120,193,318	\$	157,735,211	\$ 277,928,529
Less: Paid in Transit		(50,000,000)		-	(50,000,000)
Less: On The Water		-		(61,370,908)	(61,370,908)
Ordered Inventory	\$	70,193,318	\$	96,364,303	\$ 166,557,621

Schedule 1.1(g)

Other Payables

1. See Annex 9, attached.

Schedule 1.1(h)

[Reserved]

Schedule 1.1(i)

Permitted Post-Closing Encumbrances

1. Liens with respect to consigned goods in Puerto Rico.
2. Certain Sellers are parties to consignment agreements with respect to which no UCC filings have been filed.

Schedule 1.1(i)

Permitted Pre-Closing Encumbrances

1. Any liens in favor of Cantor Fitzgerald Securities, as collateral agent for the secured parties pursuant to that certain Superpriority Junior Lien Secured Debtor-in-Possession Credit Agreement, dated November 29, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the lenders party thereto and Cantor Fitzgerald.
2. Any liens in favor of Bank of America, N.A., as Control Co-Collateral Agent pursuant to that certain Superpriority Senior Secured Debtor-in-Possession Asset-Based Credit Agreement, dated November 29, 2018, among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the lenders party thereto, the issuing lenders party thereto, Bank of America, N.A., as administrative agent, co-collateral agent and swingline lender, Wells Fargo Bank, National Association, as co-collateral agent and syndication agent, Citigroup Global Markets Inc., as documentation agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citibank, N.A., And Wells Fargo Bank, National Association, as joint lead arrangers and bookrunners.
3. Any liens in favor of Pension Benefit Guaranty Corporation (“PBGC”) resulting from the Pension Plan Protection and Forbearance Agreement, dated March 18, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified on or prior to the Effective Date), between, among others, Sears Holdings Corporation and PBGC.
4. Any liens in favor of JPP, LLC, as collateral agent for the secured parties pursuant to that certain Term Loan Credit Agreement, dated as of January 4, 2018 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by and among, inter alios, Sears Holdings Corporation, as holdings, Sears, Roebuck and Co. and Kmart Corporation, as borrowers, the subsidiaries of Sears Holdings Corporation party thereto, the lenders party thereto from time to time, and JPP, LLC as administrative and collateral agent.
5. Any liens in favor of JPP, LLC, as agent for the secured parties pursuant to that certain Third Amended and Restated Loan Agreement, dated as of June 4, 2018 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by and among, inter alios, Sears Holdings Corporation, as guarantor, its subsidiaries party thereto as borrowers, JPP, LLC, as agent, and the lenders party thereto.
6. Any liens in favor of JPP, LLC, as administrative agent for the secured parties, as successor in interest to UBS AG, Stamford Branch, LLC, for the secured parties pursuant to that certain Credit Agreement, dated as of March 14, 2018 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by and among, inter alios, SRC O.P. LLC, SRC Facilities LLC and SR Real Estate (TX) LLC, as the borrowers, the lenders party thereto and UBS AG, Stamford Branch, LLC as administrative agent.
7. Any liens in favor of JPP, LLC, as administrative agent for the secured parties pursuant to that certain Mezzanine Loan Agreement, dated as of March 14, 2018 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by and among SRC Sparrow 2 LLC, as borrower, JPP, LLC and JPP II, LLC as lenders, and JPP, LLC, as administrative agent.
8. Any liens in favor of U.S. Bank National Association, as trustee for the secured parties pursuant to that certain Indenture, dated as of May 18, 2006 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by KCD IP, LLC as issuer and U.S. Bank National Association, as trustee with respect to 6.90% KCD IP, LLC Asset-Backed Notes.
9. Any liens in favor of Wilmington Trust, National Association, as collateral agent for secured parties pursuant to (i) that certain Indenture, dated as of October 12, 2010 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), among Sears Holdings Corporation, the

guarantors party thereto and Wilmington Trust, National Association (successor to Wells Fargo Bank, National Association) as trustee and collateral agent, governing the 6 5/8% Senior Secured Notes, (ii) that certain Indenture, dated as of March 20, 2018 (as amended, supplemented, or otherwise modified from time to time on or prior to the Effective Date), by and among Sears Holdings Corporation, the guarantors party thereto and Computershare Trust Company, N.A., as trustee, governing the 6 5/8% Senior Secured Convertible PIK Toggle Notes and (iii) that certain Second Lien Credit Agreement, dated as of September 1, 2016 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by and among, inter alios, Sears Holdings Corporation, as holdings, Sears, Roebuck and Co. and Kmart Corporation, as borrowers, the lenders party thereto, and JPP, LLC as administrative agent and collateral administrator.

10. Any liens in favor of Bank of America, N.A., as co-collateral agent for the secured parties pursuant to that certain Third Amended and Restated Credit Agreement, dated as of July 21, 2015 (as amended, supplemented or otherwise modified on or prior to the Effective Date), by and among, inter alios, Sears Holdings Corporation, as holdings, Sears, Roebuck and Co. and Kmart Corporation, as borrowers, the lenders party thereto, and Bank of America, N.A., as agent.
11. Liens with respect to consigned good in Puerto Rico.
12. Certain Loan Parties are parties to consignment agreement with respect to which no UCC filings have been filed.
13. Any liens in favor of the secured parties pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of December 28, 2016 (as amended, supplemented or otherwise modified on or prior to the Effective Date), by and among Sears Holdings Corporation, Sears, Roebuck and Co., Kmart Corporation, the financial institutions party thereto from time to time as L/C lenders, and Citibank N.A., as administrative agent and issuing bank.
14. Any encumbrances affecting the real properties that secure the IP/GL Loan as disclosed in the lenders' loan policies for title insurance issued by Chicago Title Insurance Company and/or its affiliates in connection with the making of the IP/GL Loan.
15. Any encumbrances affecting the real properties that secure that certain Third Amended and Restated Loan Agreement, dated as of June 4, 2018 (as amended, supplemented, or otherwise modified on or prior to the Effective Date), by and among, inter alios, Sears Holdings Corporation, as guarantor, its subsidiaries party thereto as borrowers, JPP, LLC, as agent, and the lenders party thereto (the loans made pursuant to such Credit Agreement, the "Dove Loan"). as disclosed in the lenders' loan policies for title insurance issued by Chicago Title Insurance Company and/or its affiliates in connection with the making of the Dove Loan.
16. Any encumbrances affecting the real properties that secure the Sparrow Mortgage Loan as disclosed in the lenders' loan policies for title insurance issued by Chicago Title Insurance Company and/or its affiliates in connection with the making of the Sparrow Mortgage Loan.
17. Any liens in favor of the secured parties pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of December 28, 2016 (as amended, supplemented or otherwise modified on or prior to the Effective Date), by and among Sears Holdings Corporation, Sears, Roebuck and Co., Kmart Corporation, the financial institutions party thereto from time to time as L/C lenders, and Citibank N.A., as administrative agent and issuing bank.
18. All encumbrances identified on the title policies, commitment and reports and surveys listed below:

[Remainder of page intentionally left blank]

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
1.	108910	AK	Anchorage(Sur)	Owned	P	Transamerica	1/12/1970	69-10278-0	Dickinson, Oswald & Associates	10/13/1969	N/A
2.	8106	AL	Birmingham	Owned	P	Lawyers Title	5/31/1977	J21971	-	-	-
3.	113600	AL	Riverchase	Owned	C	CTIC	3/30/2018	21800633	CARR	3/13/2018	18.0302
4.	30957	AR	Springdale	Owned	C	Chicago Title	11/12/2018	21802099	-	-	-
5.	68235	AZ	Phoenix	Owned	C	Chicago Title	11/9/2018	21802088	-	-	-
6.	1588	AZ	Phoenix-Metro Ctr	Owned	C	Chicago Title	11/29/2018	21800634	-	-	-
7.	228800	CA	Antioch	Owned	C	CTIC	3/23/2018	21800640	Slooten	3/9/2018	10685-02
8.	1228	CA	Arden	Owned	C	Chicago Title	11/21/2018	21800639	-	-	-
9.	126800	CA	Buena Park	Owned/Lease*	P	FATIC	10/5/2016	801871	--	--	--
10.	1598	CA	City of Industry	Owned	P	Title Insurance and Trust Company	12/22/1972	7139913	-	-	-
11.	44900	CA	DELANO	Owned	C	CTIC	3/23/2018	21800635	Slooten	3/3/2016	10571-01
12.	485700	CA	Desert Hot Springs	Owned	C	CTIC	3/23/2018	21800644	ALS	3/29/2018	117-18
13.	8038	CA	El Cajon	Owned	P	Security	7/13/1970	A-452987	-	-	-
14.	120900	CA	Long Beach	Owned	C	CTIC	3/19/2018	21800638	Bock/Clark	11/23/2016	7201600160
15.	106800	CA	Palmdale	Owned	C	CTIC	3/19/2018	21800637	SiteTech	3/15/2018	N/A

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
16.	336800	CA	Redlands	Owned	C	CTIC	3/23/2018	21800641	ALS	12/23/2016	160-16
17.	178800	CA	Richmond	Owned	C	FATIC	4/24/2015	700526-62	Bock/Clark	5/26/2015	201403456-056
18.	1788	CA	Richmond	Owned	C	Lawyers Title	9/2/1987	100717	-	-	-
19.	8098	CA	San Bernardino	Owned	C	Chicago Title	11/14/2018	21701755	-	-	-
20.	127800	CA	Torrance	Owned/GL*	P	FATIC	8/24/2010	347950	--	--	--
21.	3968	CA	Wasco	Owned	P	First American	7/20/1990	KER-1071352	Lars Andersen & Associates, Inc.	32921	89-157
22.	2451	CO	Greely	Owned	P	First American	11/2/2015	5011408-700526-66	-	-	-
23.	127100	CO	Littleton/Denver	Owned	C	CTIC	4/2/2018	21800647	Inter-Mountain	4/2/2018	18-9004
24.	128100	CO	Pueblo	Owned	C	CTIC	3/26/2018	21800648	ESC	3/9/2018	17036-S
25.	183100	CO	Thornton	Owned	C	CTIC	3/30/2018	21800649	Inter-Mountain	3/12/2018	17-9029
26.	144300	CT	Manchester	Owned	C	CTIC	4/4/2018	21800652	Flynn/CYR	5/15/2017	4-39-190
27.	1043	CT	Meriden	Owned	C	Chicago Title	11/30/2018	21800650	-	-	-
28.	1263	CT	Waterbury	Owned	C	Chicago Title	11/29/2018	21800651	-	-	-
29.	185300	DE	Wilmington	Owned	C	CTIC	4/4/2018	21800653	Spartan	5/11/2017	N/A
30.	1255	FL	Citrus Park	Owned	P	Lawyers Title	7/27/1998	136-00-837327	-	-	-

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
31.	105500	FL	Coral Springs	Owned	C	CTIC	3/26/2018	21800656	Altamax	3/13/2018	902005
32.	107500	FL	Daytona Beach	Owned	C	Lawyers	7/19/1974	N434748	--	--	--
33.	1075	FL	Daytona Beach	Owned	P	Lawyers Title	7/19/1974	N434748	Phillips, Wine & Phillips, Inc.	Not legible	Not legible
34.	31930 / 4767 / 52518	FL	Haileah	Owned	C	First American	7/30/1998	FA-C-1945	Ludovici & Orange	34641	9028K
35.	7435 / 7008	FL	Hialeah	Owned	P	CTIC	3/17/1995	10 5120 106 00000009	Fortin, Leavy, Skiles, Inc.	34736	950187
36.	31930	FL	Hialeah	Owned	C	Chicago Title	11/2/2018	21802096	-	-	-
37.	1635	FL	Jacksonville	Owned	P	CTIC	5/26/1981	10 044 01 00409	-	-	-
38.	4019	FL	Melbourne	Owned	C	Chicago Title	11/29/2018	21802107	-	-	-
39.	117500	FL	Merritt Island	Owned	C	CTIC	3/28/2018	21800657	Altamax	3/15/2016	902004
40.	829200	FL	Ocala	Owned	C	Chicago Title	3/30/2018	21800668	Altamax	3/10/2018	902007
41.	148500	FL	Orange Pk	Owned	C	CTIC	3/28/2018	21800661	Bock/Clark	3/27/2018	9201800100
42.	128500	FL	Orlando-South	Owned	C	CTIC	3/28/2018	21800659	Altamax	3/25/2018	902015

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
43.	288500	FL	Port Richey	Owned	C	CTIC	3/19/2018	21800663	Altamax	3/10/2018	901999
44.	1555	FL	Sanford	Owned	P	CTIC	8/24/1997	FL 014 04 N 58986B	Professional Engineering Consultants, Inc.	34312	50C-01-1.8
45.	213500	FL	Sebring	Owned	C	Ok	6/12/2018	21801223	--	--	--
46.	8245	FL	Seminole	Owned	C	First American	11/27/2013	5011612-NCS-646445-CHI2	-	-	-
47.	101500	FL	Vero Beach	Owned	C	CTIC	3/29/2018	21800655	ASI	3/30/2018	N/A
48.	2815	GA	Albany	Owned	P	Lawyers Title	6/14/1974	M425873	-	-	-
49.	284500	GA	Athens	Owned	C	CTIC	3/21/2018	21800677	Moreland	12/22/2017	17386-90
50.	103500	GA	Augusta	Owned	C	CTIC	3/20/2018	21800670	Moreland	11/17/2017	17349-002
51.	2065	GA	Brunswick	Owned	P	CTIC	3/21/1985	O194662	-	-	-
52.	109500	GA	Douglasville	Owned	C	CTIC	3/20/2018	21800671	Moreland	11/15/2017	11245-01
53.	115500	GA	Kennesaw	Owned	C	CTIC	3/20/2018	21800672	Garmon	12/22/2017	2017-36
54.	1565	GA	Morrow/Southlake	Owned	C	Chicago Title	11/25/2018	21800673	-	-	-

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
55.	875500	GA	TUCKER	Owned	C	CTIC	3/26/2018	21800678	Moreland, Altobelli Assoc.	3/12/2018	17349-04
56.	770500	GU	Tamuning	Owned	C	CTIC	7/24/2018	21801466	Pineda	9/19/2018	N/A
57.	7439	IA	Council Bluff	Owned	P	Fidelity National Title	4/10/1992	O-103889	-	-	-
58.	1012 and 8112	IA	Des Moines, Iowa	Owned	C	Chicago Title	11/30/2018	21800679	-	-	-
59.	117200	IL	Bloomington	Owned	C	CTIC	4/10/2018	21800683	JLH	11/16/2017	N/A
60.	61510 / 1510	IL	Calumet City	Owned	P	CTIC	8/3/1964	53-70-141	-	-	-
61.	61030 / 1030	IL	Chicago	Owned	P	CTIC	12/21/1984	69-74-495	-	-	-
62.	30920 / 4235	IL	Chicago	Owned	P	Lawyers Title	12/16/2003	03-10184	-	-	-
63.	26987 / 9824 / 1987	IL	Chicago	Owned	P	First American	9/27/2001	CC200257	Landmark Engineering Corporation	36762	00-08-041-R
64.	184000	IL	Chicago Ridge	Owned	C	CTIC	4/3/2018	21800688	JLH	12/22/2017	N/A
65.	2632	IL	Fairview Hts	Owned	C	Lawyers Title	3/20/1998	173504-1	Sherrill Associates	36082	21459
66.	49000	IL	HOFFMAN EST	Owned	C	CTIC	3/20/2018	18006243NC	Sarko	4/2/2018	130975.18R00

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
67.	828900	IL	Manteno	Owned	C	CTIC	3/23/2018	21800693	Sherrill Associates	3/9/2018	18010101
68.	132100	IL	Peoria	Owned	C	CTIC	4/6/2018	21800684	Sarko	3/9/2018	N/A
69.	2121	IL	Peru	Owned	C	Chicago Title	11/27/2018	21800689	-	-	-
70.	2360	IL	Quincy	Owned	C	Chicago Title	12/13/2018	21800690	-	-	-
71.	31914 / 4938	IL	Round Lake Beach	Owned	C	First American	11/8/2004	NCS-72282-CHI1	Joseph A. Schudt & Associates	35590	9220-233
72.	157000	IL	Schaumburg	Owned	C	CTIC	3/20/2018	18006246NC	Geodetic	12/15/2017	N/A
73.	1780	IL	Springfield, Illinois	Owned	C	Chicago Title	11/30/2018	21800686	-	-	-
74.	31900 / 3105	IL	Sterling	Owned	P	First American	1/7/2008	NCS-322276-CHI1	-	-	-
75.	182000	IL	West Dundee	Owned	C	CTIC	3/27/2018	18006248NC	JLH	10/19/2017	N/A
76.	1600	IN	Castleton	Owned	C	Chicago Title	11/26/2018	21800695	-	-	-
77.	26185 / 9445	IN	Clarksville	Owned	P	First American	12/28/1999	5715753	-	-	-
78.	165000	IN	Merrillville	Owned	C	CTIC	3/21/2018	21800696	JAS	12/19/2017	N/A
79.	2290	IN	Michigan City, Indiana	Owned	C	Chicago Title	11/16/2018	21800699	-	-	-
80.	180000	IN	Mishawaka	Owned	C	CTIC	3/23/2018	21800698	LFA	12/12/2017	133-85
81.	26711 / 1680	IN	Washington Sq	Owned	P	Lawyers Title	12/21/1973	125730	-	-	-

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
82.	8171	KS	Overland Park	Owned	C	Chicago Title	11/19/2018	21802157	-	-	-
83.	1642	KS	Topeka	Owned	C	Chicago Title	11/12/2018	21800700	-	-	-
84.	1730	KY	Florence	Owned	C	Chicago Title	12/3/2018	21800701	-	-	-
85.	2087	LA	Alexandria, Louisiana	Owned	C	Chicago Title	11/26/2018	21800707	-	-	-
86.	114700	LA	Baton Rouge	Owned	C	CTIC	3/23/2018	21800705	Dading/Marques	4/13/2018	N/A
87.	2677	LA	Bossier City, Louisiana	Owned	C	Chicago Title	11/26/2018	21800708	-	-	-
88.	26736 or 1086	LA	Cortana	Owned	C	Chicago Title	12/5/2018	21800703	-	-	-
89.	1116	LA	Monroe, Louisiana	Owned	C	Chicago Title	11/26/2018	21800704	-	-	-
90.	1077	LA	Shreveport	Owned	C	Chicago Title	11/26/2018	21800702	-	-	-
91.	343300	MA	Holyoke	Owned	C	CTIC	4/4/2018	21800714	OSM	1/4/2017	20160998
92.	110400	MA	Marlborough	Owned	C	CTIC	4/4/2018	21800711	Merrimack	3/10/2018	11283AL03
93.	103300	MA	N Attleboro	Owned	C	CTIC	4/2/2018	21800709	OSM	3/9/2018	20171044
94.	925500	MA	Palmer	Owned	P	Lawyers	7/27/1980	K 744046	--	--	--
95.	2934	MA	Silver City Galleria, Massachusetts	Owned	C	Chicago Title	12/26/2018	21800713	-	-	-
96.	1093	MA	Springfield	Owned	P	Hampden County	11/2/1964	F1380			

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
97.	163400	MD	Baltimore-West	Owned	C	CTIC	3/30/2018	21800716	Precision	12/21/2017	N/A
98.	185400	MD	Parkville	Owned	C	CTIC	4/4/2018	21800718	Precision	12/21/2017	N/A
99.	107400	MD	Waldorf	Owned	C	CTIC	3/28/2018	21800715	Dewberry	12/14/2017	50099780
100.	6303	ME	Bangor	Owned	C	Chicago Title	11/21/2018	21802159	-	-	-
101.	218300	ME	So Portland	Owned	C	CTIC	4/2/2018	21800314	Owen Haskell	3/26/2018	2016-098
102.	2040	MI	Battle Creek, Michigan	Owned	C	Chicago Title	11/29/2018	21800730	-	-	-
103.	938500	MI	Clio	Owned	C	CTIC	3/29/2018	21800734	Geodetic	3/12/2018	N/A
104.	1700	MI	Dearborn, Michigan	Owned	C	Chicago Title	11/16/2018	21800727	-	-	-
105.	1100	MI	Flint	Owned	P	Lawyers Title	1/22/1969	F-40793	-	-	-
106.	101100	MI	Grandville	Owned	C	CTIC	3/28/2018	21800720	Michigan Surveying	3/9/2018	17-167
107.	30918	MI	Jackson	Owned	C	Chicago Title	11/20/2018	21802110	-	-	-
108.	146000	MI	Livonia	Owned	C	CTIC	3/2/2018	21800725	Michigan Surveying	5/24/2014	16-188.017
109.	119200	MI	Muskegon	Owned	C	CTIC	3/30/2018	21800724	Williams & Works	12/19/2017	N/A
110.	176000	MI	Novi	Owned	C	CTIC	3/26/2018	21800729	Geodetic	12/15/2017	N/A
111.	111000	MI	Portage	Owned	C	CTIC	5/7/2018	21800723	Geodetic	3/9/2018	N/A

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
112.	159000	MI	Saginaw	Owned	C	CTIC	4/2/2018	21800726	Kem-Tec	3/13/2018	N/A
113.	1720	MI	Sterling Heights	Owned	C	Chicago Title	12/17/2018	21800728	-	-	-
114.	2180	MI	Traverse City, Michigan	Owned	C	Chicago Title	12/28/2018	21800731	-	-	-
115.	38480	MI	Troy	Owned	C	Chicago Title	12/17/2018	21800736	-	-	-
116.	420600	MI	Warren	Owned	C	CTIC	3/21/2018	21800732	Michigan Surveying	3/29/2018	18-114.066
117.	1032	MN	Brooklyn Ctr	Owned	C	Chicago Title	12/6/2018	21802229	-	-	-
118.	870200	MN	MINNEAPOLIS	Owned	C	CTIC	3/20/2018	21800738	Egan, Field & Nowak, Inc.	12/21/2017	133.22
119.	182200	MO	Cape Girardeau	Owned	C	CTIC	3/30/2018	21800745	L.I. Smith	3/12/2018	170392
120.	112100	MO	Independence	Owned	C	CTIC	4/4/2018	21800740	Kaw Valley	3/26/2018	B18S3480
121.	117100	MO	Springfield	Owned	C	CTIC	3/27/2018	21800741	J-Mark Surveying	3/13/2018	17-545
122.	118200	MO	St Peters	Owned	C	CTIC	3/30/2018	21800742	Massmann	3/12/2018	17055.00.001
123.	1306	MS	Hattiesburg, Mississippi	Owned	C	Chicago Title	11/29/2018	21800747	-	-	-
124.	61106 / 1106	MS	Jackson	Owned	P	CTIC	2/18/1977	JO12962	-	-	-
125.	1166	MS	Meridian, Mississippi	Owned/GL	C	Chicago Title	11/30/2018	21800746	-	-	-
126.	30949	MS	Natchez	Owned	C	Chicago Title	11/26/2018	21802162	-	-	-

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
127.	3213	MS	Southaven	Owned	C	Chicago Title	11/21/2018	21802161	-	-	-
128.	2242	MT	Billings	Owned	C	CTIC	3/17/1980	Not specified	-	-	-
129.	116500	NC	Concord	Owned	C	CTIC	3/20/2018	21800750	Donaldson /Garrett	3/12/2018	N/A
130.	147500	NC	Durham	Owned	P	Ticor	7/20/2001	990027712	--	--	--
131.	30961	NC	Greensboro	Owned	C	Chicago Title	11/19/2018	21802114	-	-	-
132.	217500	NC	Greenville	Owned	C	CTIC	3/20/2018	21800755	Jimmy F. Cain	3/9/2018	N/A
133.	251500	NC	Hickory	Owned	C	CTIC	3/19/2018	21800756	David B. Jordan	3/13/2018	43.22
134.	160500	NC	Raleigh	Owned	C	CTIC	3/16/2018	21800752	KCI	3/9/2018	N/A
135.	1712	ND	Grand Forks, North Dakota	Owned	C	Chicago Title	11/27/2018	21800758	-	-	-
136.	219100	NE	Lincoln	Owned	C	CTIC	4/4/2018	21800760	JEO	3/9/2018	R160856
137.	1022	NE	Omaha	Owned	C	Chicago Title	12/6/2018	21800759	-	-	-
138.	1554	NJ	Hamilton Center, New Jersey (Mays Landing)	Owned/GL	C	Chicago Title	11/19/2018	21800762	-	-	-
139.	1734	NJ	Lawrenceville	Owned	C	Chicago Title	11/27/2018	21802163	-	-	-
140.	161400	NJ	Livingston	Owned	C	CTIC	4/2/2018	21800763	Crest	3/9/2018	N5623
141.	131400	NJ	New Brunswick	Owned	C	CTIC	3/23/2018	21800761	Landpoint	3/9/2018	17-1454

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
142.	1744	NJ	Ocean	Owned	P	CTIC	11/7/1975	31-911-04-00266	-	-	-
143.	176400	NJ	Rockaway	Owned	C	CTIC	4/8/2018	21800766	Professional Surveying	3/9/2018	N/A
144.	2374	NJ	Vineland	Owned	C	First American	12/2/2003	03-37091-110	-	-	-
145.	1717	NM	Cottonwood, New Mexico	Owned	C	Chicago Title	12/27/2018	21800769	-	-	-
146.	6298	NV	Sparks	Owned	C	Chicago Title	11/27/2018	21802163	-	-	-
147.	1353	NY	De Witt/Syracuse	Owned	P	Monroe Title and Insurance Corporation	11/13/1995	201-010785	-	-	-
148.	472600	NY	Jamestown	Owned	C	CTIC	3/1/2018	21800773	Lehr	4/2/2018	18-C-44
149.	136400	NY	Lake Grove	Owned	C	CTIC	3/30/2018	7404-000242	Lehr	3/31/2018	16-B-83
150.	1514	NY	Niagara Falls	Owned	C	Chicago Title	11/12/2018	21802116	-	-	-
151.	8254	NY	Rochester	Owned	P	First American	1/19/1996	Y0036980	MRB group	35051	942-373-R2B
152.	1370	OH	Eastland	Owned	P	Commonwealth	9/9/1971	N247959	-	-	-
153.	2940	OH	Franklin	Owned	P	CTIC	11/12/1975	36 062 17 00015	-	-	-
154.	201000	OH	Mansfield	Owned	C	CTIC	3/22/2018	21800780	LMS	3/9/2018	B-170742
155.	171000	OH	No Olmsted	Owned	C	CTIC	3/23/2018	21800778	North Coast Geomatics	3/9/2018	NCG 1369
156.	1610	OH	Northgate	Owned	P	Lawyers Title	3/17/1971	T655887	-	-	-

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
157.	239000	OH	Springfield	Owned	C	CTIC	3/27/2018	21800781	Judge Engineering	10/23/2017	10061
158.	1051	OH	Strongsville/South Park, Ohio	Owned	C	Chicago Title	11/22/2018	21800775	-	-	-
159.	112000	OH	Tuttle Crossing	Owned	C	CTIC	4/6/2018	21800776	IBI Group	3/9/2018	
160.	8305	OH	Warren	Owned	P	First American	10/10/2007	NCS-249329-CHI1	-	-	-
161.	1261	OK	Midwest City	Owned	P	Lawyers Title	8/1/1977	K249446	-	-	-
162.	122400	PA	Harrisburg	Owned	C	CTIC	3/19/2018	21800785	SAS	3/28/2018	SRN 1606
163.	1863	PA	Johnstown	Owned	P	Commonwealth	11/9/1992	101-675327	-	-	-
164.	352900	PA	Pittsburgh	Owned	C	CTIC	3/12/2018	21800788	MDM	3/20/2018	7592
165.	1293	PA	Robinson Twp	Owned	P	First American	11/3/2000	118598	Not legible	36749	Not legible
166.	135400	PA	Willow Grove	Owned	C	CTIC	3/26/2018	21800787	SAS	3/26/2018	SRN1501
167.	939400	PR	Fajardo	Owned	P	Am Land	1/27/1999	53-0002-04-006203	--	--	--
168.	385300	PR	Guayama	Owned	C	Hato Rey	12/7/1992	13562	--	--	--
169.	2305	SC	Anderson, South Carolina	Owned	C	Chicago Title	4/5/2018	21800792	-	-	-

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170.	159500	SC	Greenville	Owned	C	CTIC	3/16/2018	21800790	Site Design, Inc.	3/9/2018	N/A
171.	179500	SC	Myrtle Beach	Owned	C	CTIC	3/31/2018	21800791	Freeland-Clinkscale	3/19/2018	H38114
172.	1545	SC	Spartanburg, South Carolina	Owned	C	Chicago Title	12/7/2018	21800789	-	-	-
173.	30941 / 7306	SD	Sioux Falls	Owned	P	First American	7/16/2007	CO 866158	-	-	-
174.	1315	TN	Chattanooga	Owned	C	Chicago Title	12/5/2018	21800795	-	-	-
175.	314700	TN	Kingsport	Owned	C	CTIC	3/30/2018	21800797	Barrett Surveying	3/23/2018	N/A
176.	1675	TN	Knoxville East Town	Owned	P	Title Insurance Company of Minnesota	3/27/1986	AZ-551986	-	-	-
177.	446	TN	Memphis	Owned	C	Chicago Title	11/15/2018	21701113	-	-	-
178.	26596	TN	Memphis/Hickory	Owned	C	Chicago Title	12/7/2018	21802129	-	-	-
179.	1216	TN	Memphis/Southland	Owned	P	Commercie Title Guaranty Company	7/31/1964	MS-121572	-	-	-
180.	130700	TX	Abilene	Owned	C	CTIC	4/12/2018	21800807	Landpoint	3/9/2018	17-1455
181.	143700	TX	Arlington/Parks	Owned	C	CTIC	3/26/2018	21800815	Benchmark Group	3/7/2017	1730003
182.	1487	TX	Austin, Texas	Owned	C	Chicago Title	12/12/2018	21800819	-	-	-
183.	140700	TX	Beaumont	Owned	C	CTIC	2/20/2018	21800814	Thomas Land	3/9/2018	16490

	RE ID	ST	City	10K Own/L/GL	Policy (P), Commitment (C), Other (R)	Title Company	Date	Policy or Commitment Number	Surveyor	Date of Survey	Survey No.
184.	249700	TX	Brownsville	Owned	C	CTIC	4/6/2018	21800822	Guzman & Munoz	3/12/2018	N/A
185.	2547	TX	College Station, Texas	Owned	C	Chicago Title	11/18/2018	21800823	-	-	-
186.	121700	TX	Corpus Christi	Owned	C	CTIC	2/23/2018	21501922	SGC	3/13/2018	N/A
187.	2587	TX	Denton, Texas	Owned	C	Chicago Title	11/26/2018	21800825	-	-	-
188.	8247	TX	Dickinson	Owned	P	Lawyers Title Insurance Corporation	1/21/1998	113-00-002984	-	-	-
189.	1027	TX	El Paso, Texas	Owned	C	Chicago Title	11/29/2018	21800800	-	-	-
190.	8217	TX	Ft. Worth+J209	Owned	C	Chicago Title	11/27/2018	21800828	-	-	-
191.	871700	TX	HOUSTON	Owned	C	CTIC	3/28/2018	21800829	Thomas Land	3/9/2018	16397
192.	8137	TX	Houston	Owned	C	Lawyers Title Insurance Corporation	5/23/1983	4876-83	-	-	-
193.	6874	TX	Houston	Owned	P	Lawyers Title Insurance Corporation	6/9/1998	90-00-494623	-	-	-
194.	8167	TX	Houston	Owned	P	Steward Title Guaranty Company	11/4/1969	9240-J	-	-	-
195.	61237	TX	Houston	Owned	C	Chicago Title	11/15/2018	4715002318A	-	-	-
196.	144700	TX	Hulen	Owned	C	CTIC	3/26/2018	21800818	Benchmark Group	3/12/2018	1730041
197.	141700	TX	Humble	Owned	C	CTIC	3/28/2018	21800815	Thomas Land	3/12/2018	16435

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198.	129700	TX	Hurst	Owned	C	CTIC	3/26/2018	21800806	Benchmark Group	3/9/2018	1730040
199.	224700	TX	Laredo	Owned	C	CTIC	3/26/2018	21800821	SGC	3/9/2018	N/A
200.	118700	TX	Mesquite-Town East	Owned	C	CTIC	3/28/2018	21800803	Benchmark Group	3/9/2018	1730039
201.	117600	TX	Pasadena	Owned	C	CTIC	3/28/2018	21800802	Town and Country	3/12/2018	17-1516
202.	1267	TX	Ridgmar-Fort Worth, Texas	Owned	C	Chicago Title	11/27/2018	21800805	-	-	-
203.	142700	TX	Rolling Oaks	Owned	C	CTIC	3/27/2018	21800816	SGC	3/9/2018	N/A
204.	49027	TX	Round Rock	Owned	C	First American	5/22/2008	354541-CHI2	Dupont	35453	A-609
205.	2332	TX	San Antonio	Owned	P	Mission Title	10/13/2016	1603063-02	ALTA/NSPS	42599	Not legible
206.	219700	TX	Texas City	Owned	C	CTIC	3/27/2018	21800820	Rekha Engineering	3/9/2018	1017-3917
207.	137700	TX	Willowbrook	Owned	C	CTIC	3/28/2018	21800812	Town and Country	3/13/2018	17-0235
208.	102300	VA	Loudoun/Dulles	Owned	C	CTIC	4/4/2018	21800832	Urban	4/5/2016	
209.	2671 / 7518	VA	Newport News	Owned	P	Commonwealth	11/29/1994	101792	-	-	-
210.	197400	VA	Roanoke	Owned	C	CTIC	4/3/2018	21800833	Berkley Howell	12/27/2016	160111
211.	3544	VA	Salem	Owned	P	First American	10/26/2007	308898-CHI2	-	-	-

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212.	229900	WA	Aberdeen	Owned	P	Pioneer	12/23/1980	Z177716	--	--	--
213.	372200	WA	Burlington	Owned	C	CTIC	3/30/2018	21800840	Terramark	12/2/2016	5188-20105
214.	103800	WA	E Valley	Owned	C	CTIC	3/29/2018	21800835	Duryea	3/13/2018	17-2269
215.	221900	WA	Lacey/Olympia	Owned	C	CTIC	3/30/2018	21800838	Terramark	3/9/2018	N/A
216.	230900	WA	Silverdale	Owned	C	CTIC	3/30/2018	21800839	All County Surveyors	3/9/2018	N/A
217.	102900	WA	Spokane	Owned	C	CTIC	3/29/2018	21800834	Duryea	3/9/2018	08-1375 2017
218.	414700	WA	Spokane	Owned	C	CTIC	3/15/2018	21800841	Terramark	3/9/2018	N/A
219.	6579	WA	Spokane	Owned	C	Lawyers Title Insurance Corporation	10/7/1992	92-0355	-	-	-
220.	209200	WI	Appleton	Owned	C	CTIC	3/27/2018	21800842	Lampert-Lee	3/28/2018	18-37
221.	4395	WI	Cudahy	Owned	C	ALTA	4/12/2004 (mark-up)	1173527	-	-	-
222.	308800	WI	Kenosha	Owned	C	CTIC	3/20/2018	21800845	JLH	3/27/2018	18-260-105
223.	2432	WI	La Crosse	Owned	C	Chicago Title	12/3/2018	21800844	-	-	-
224.	223200	WI	Madison-East	Owned	C	CTIC	4/2/2018	21800843	Sarko	3/29/2018	45.22

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225.	180400	WV	Barboursville	Owned	C	CTIC	4/2/2018	21800847	Eastham & Associates	3/22/2018	N/A

19. Each of the Encumbrances listed below:

	Debtor	Place of Filing	Type of filing found	Secured Party	Collateral	Original File Date	Original File Number	Amendment /Continuation File Date	Amendment/Continuation File Number
1.	California Builder Appliances, Inc.	CA Secretary of State	UCC-1	Maytag Appliances Sales Company	PMSI inventory	9/22/00	0027760879	6/10/02 7/08/02 7/6/05 5/18/10 3/27/15	02162C0017 02190C0069 05/70332234 10-72320757 15-74569635
2.	Florida Builder Appliances, Inc.	DE Secretary of State	UCC-1	U.S. Bank Equipment Finance, a division of U.S. Bank National Association	Specific equipment	7-16-18	20184851396	7-19-18	20184952046
3.	Innovel Solutions, Inc.	DE Secretary of State	UCC-1	Captive Finance Solutions, LLC	Leased equipment	12/24/14	20145241856	N/A	N/A
4.	Innovel Solutions, Inc.	DE Secretary of State	UCC-1	LG Electronics U.S.A., Inc.	Inventory that the Debtor holds as bailee under agreement between	1/13/17	20170301009	N/A	N/A

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
					the Debtor and the secured party				
5.	Kmart Corporation	IL Secretary of State	UCC-1	Abrim Enterprises, Inc.	Consigned inventory	09/22/16	21733199	N/A	N/A
6.	Kmart Corporation	IL Secretary of State	UCC-1	Joseph Enterprises Inc.	PMSI inventory	9/27/17	22744488	N/A	N/A
7.	Kmart Corporation	IL Secretary of State	UCC-1	Royal Consumer Products LLC	Poster board and foam board	11/18/14	19811727	N/A	N/A
8.	Kmart Corporation	MI Department of State	UCC-1	State Street Bank and Trust Company/U.S. Bank National Association	Precautionary filing; parties intended to be a true lease	5-16-02	D910941	1-22-07 1-31-07 1-18-12 1-26-17	2007012057-9 2007017707-3 2012009674-3 20170126000489-4
9.	Kmart Corporation	MI Department of State	UCC-1	The Bank of New York, as Note Trustee	Precautionary filing; parties intended to be a true lease	5-28-02	D915512	2-12-07 3-19-07 1-18-12 5-27-12 2-3-17	2007024132-3 2007043214-0 2012009204-8 2012077131-5 20170203000169-1

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
10.	Kmart Corporation	MI Department of State	UCC-1	Horizon Group USA, Inc.	Consigned inventory	4-13-09	2009054475-9	4-1-13 11-1-13	2013045352-7 2013157896-4
11.	Kmart Corporation	MI Department of State	UCC-1	Clover Technologies Group, LLC	Consigned inventory	7-11-12	2012099717-3	3-3-17	20170303000786-1
12.	Kmart Corporation	MI Department of State	UCC-1	Abrim Enterprises, Inc.	Consigned inventory	9/22/16	20160922000930-0	N/A	N/A
13.	Kmart Corporation	MI Department of State	UCC-1	ACCO Brands USA LLC	Consigned inventory	11/1/16	20161101000796-0	N/A	N/A
14.	Kmart Corporation	MI Department of State	UCC-1	ACCO Brands USA LLC	Consigned inventory	11/2/16	20161102000427-2	N/A	N/A
15.	Kmart Corporation	MI Department of State	UCC-1	American Greetings Corporation	Consigned inventory	5/6/03	2003087025-3	5/5/08 4/26/13 8/22/16 4/25/18	2008069511-2 2013059416-9 2016115608-1 20180425000414-7
16.	Kmart Corporation	MI Department of State	UCC-1	American Greetings Corporation	Consigned inventory	5/7/03	2003087053-2	5/5/08 4/26/13	2008069512-4 2013059415-7 2016115609-3

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
								8/22/16 4/25/18	20180425000416 -5
17.	Kmart Corporation	MI Department of State	UCC-1	Aneri Jewels L.L.C.	Consigned inventory	12/30/15	2015178917-9	N/A	N/A
18.	Kmart Corporation	MI Department of State	UCC-1	Aneri Jewels, L.L.C.	Consigned inventory	9/17/14	2014135693-0	12/11/15	2015171608-7
19.	Kmart Corporation	MI Department of State	UCC-1	Beauty Gem, Inc.	Consigned inventory	6/19/12	2012088753-6	10/04/16 1/31/17	20161004000429 -9 20170131000492 -0
20.	Kmart Corporation	MI Department of State	UCC-1	Bio-Lab, Inc.	Consigned inventory	1/23/07	2007012556-7	1/23/12 11/02/16	2012011696-3 20161102000409 -6
21.	Kmart Corporation	MI Department of State	UCC-1	Combine International, Inc. (d/b/a I.L. MFG Co., Shan Corporation and/or NSM Corp.)	Consigned inventory	8/28/08	2008135282-6	6/26/13 4/10/18	2013093663-4 20180410000852 -1
22.	Kmart Corporation	MI Department of State	UCC-1	Early Morning LLC	Consigned inventory	1/19/18	201801190007 28-9	N/A	N/A

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23.	Kmart Corporation Sears, Roebuck and Co./Sears Holdings Management, Inc.	MI Department of State	UCC-1	ET Enterprises Distributors, Inc.	Consigned apparel and visor merchandise. Total \$54,846.00	7/29/16	2016105914-8	N/A	N/A
24.	Kmart Corporation	MI Department of State	UCC-1	Hilco Wholesale Solutions, LLC	Consigned inventory	3/18/16	2016037312-9	N/A	N/A
25.	Kmart Corporation	MI Department of State	UCC-1	Homecare Labs, Inc.	Consigned inventory	1/23/07	2007012558-1	1/23/12 11/02/16	2012011699-9 20161102000412-0
26.	Kmart Corporation	MI Department of State	UCC-1	Kama-Schachter Jewelry, Inc.	Consigned inventory	9/20/16	20160920000978-2	N/A	N/A
27.	Kmart Corporation	MI Department of State	UCC-1	LM Farms, LLC	Consigned inventory	1/19/18	20180119000726-1	N/A	N/A

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28.	Kmart Corporation	MI Department of State	UCC-1	Lucent Jewelers, Inc. N.D. Gems Inc.	Consigned inventory	2/2/17	20170202001080-3	N/A	N/A
29.	Kmart Corporation	MI Department of State	UCC-1	Mantua Manufacturing Co.	Consigned inventory	10/2/18	20181002001108-6	N/A	N/A
30.	Kmart Corporation	MI Department of State	UCC-1	Maxcolor LLC	Consigned inventory	9/7/17	20170907000378-6	N/A	N/A
31.	Kmart Corporation	MI Department of State	UCC-1	Mill Creek Entertainment, LLC	Consigned inventory	10/29/14	2014155704-9	N/A	N/A
32.	Kmart Corporation	MI Department of State	UCC-1	MJ Holding Company, LLC	Consigned inventory	12/01/09	2009169240-0	7/13/12 6/28/13 6/3/14	2012100886-4 2013095152-3 2014079863-2
33.	Kmart Corporation	MI Department of State	UCC-1	NCR Corporation	PMSI inventory	3/12/09	2009037776-6	2/28/14	2014029466-0
34.	Kmart Corporation	MI Department of State	UCC-1	Plus Mark LLC	PMSI inventory	10/4/16	20161012000541-9	N/A	N/A

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35.	Kmart Corporation	MI Department of State	UCC-1	Richline Group, Inc.	Consigned inventory	10/23/14	2014153071-4	N/A	N/A
36.	Kmart Corporation	MI Department of State	UCC-1	Riverstone USA LLC	Consigned inventory	10/31/16	20161114000297-8	N/A	N/A
37.	Kmart Corporation	MI Department of State	UCC-1	Rosy Blue, Inc.	Consigned inventory	9/10/13	2013131226-5	3/14/18	20180314001201-7
38.	Kmart Corporation	MI Department of State	UCC-1	Royal Consumer Products LLC	Poster board and foam board	12/16/14	2014178469-6	N/A	N/A
39.	Kmart Corporation	MI Department of State	UCC-1	S&J Diamond Corp. Disons GEMS, Inc.	Consigned inventory	8/05/15	2015111249-3	N/A	N/A
40.	Kmart Corporation	MI Department of State	UCC-1	Sakar International, Inc.	Consigned inventory	9/30/14	2014141770-2	N/A	N/A
41.	Kmart Corporation	MI Department of State	UCC-1	Scents of Worth, Inc.	Consigned inventory	12/20/13	2013179478-4	N/A	N/A

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42.	Kmart Corporation	MI Department of State	UCC-1	Shaghal Ltd.	Consigned inventory	10/01/15	2015137503-3	N/A	N/A
43.	Kmart Corporation	MI Department of State	UCC-1	Shanti Corporation D/B/A Vijay Gold Designs	Consigned inventory	9/18/13	2013135456-6	8/07/18	20180807000509-4
44.	Kmart Corporation	MI Department of State	UCC-1	The News Group, L.P.	PMSI inventory	2/23/18	20180223000573-3	N/A	N/A
45.	Kmart Corporation	MI Department of State	UCC-1	Tiger Capital Group, LLC	Consigned inventory	2/08/18	20180208000547-9	N/A	N/A
46.	Kmart Corporation	MI Department of State	UCC-1	Twentieth Century Fox Home Entertainment LLC	Consigned inventory	4/27/17	20170427001183-6	N/A	N/A
47.	Kmart Corporation	MI Department of State	UCC-1	Verbatim Americas LLC	Consigned inventory	5/13/14	2014068095-0	N/A	N/A
48.	Kmart Corporation	MI Department of State	UCC-1	Vijaydimon (USA) Inc.	Consigned inventory	9/13/13	2013133133-0	8/07/18	20180807000510-0

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49.	Kmart Corporation/Kmart of Michigan, Inc.	MI Department of State	UCC-1	Jacmel Jewelry Inc.	Consigned inventory	10/27/14	2014154479-9	N/A	N/A
50.	Kmart Corporation/Sears, Roebuck and Co./Sears Holdings Management Corporation/Sears Holdings Corporation	IL Secretary of State	UCC-1	Chapal Zenray Inc.	Consigned inventory	11/05/14	019779882	N/A	N/A
51.	Kmart Holding Corporation/Sears Holdings Corporation	IL Secretary of State	UCC-1	RGGD, Inc. D/B/A Crystal Art Gallery	Framed art and wall décor	03/26/12	17136976	03/08/17	9467438
52.	Kmart of Michigan, Inc.	MI Department of State	UCC-1	Bio-Lab, Inc.	Consigned inventory	1/23/07	2007012557-9	1/23/12 11/02/16	2012011697-5 20161102000414-8

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53.	Kmart of Michigan, Inc.	MI Department of State	UCC-1	Homecare Labs, Inc.	Consigned inventory	1/23/07	2007012559-3	1/23/12 11/02/16	2012011701-6 20161102000419-3
54.	Kmart of Washington LLC	WA Secretary of State	UCC-1	Bio-Lab, Inc.	Consigned inventory	1/23/07	2007-024-4055-9	1/23/12 11/02/16	2012-023-5218-2 2016-307-2158-1
55.	Kmart of Washington LLC	WA Secretary of State	UCC-1	HomeCare Labs, Inc.	Consigned inventory	1/23/07	2007-024-4054-2	1/23/12 11/02/16	2012-023-5219-9 2016-307-2157-4
56.	Kmart of Washington LLC	WA Secretary of State	UCC-1	Jacmel Jewelry Inc.	Consigned inventory	10/27/14	2014-300-2219-2	N/A	N/A
57.	Kmart Operations LLC	DE Secretary of State	UCC-1	American Greetings Corporation	PMSI inventory	7/1/15	2015 2834785	8/22/16	20165092646
58.	Kmart Operations LLC	DE Secretary of State	UCC-1	RX Gear, LLC	Consigned inventory	7/31/15	20153333670	N/A	N/A
59.	Kmart Operations LLC	DE Secretary of State	UCC-1	Work 'N Gear, LLC	Consigned inventory	07/31/15	20153333647	N/A	N/A

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60.	Kmart Operations LLC/Sears Operation LLC/ Sears Holdings Corporation	DE Secretary of State	UCC-1	Lucent Jewelers, Inc. N.D. Gems Inc.	Consigned inventory	4/18/18	20182630396	N/A	N/A
61.	Kmart Operations LLC/Sears Operations LLC/Sears, Roebuck and Co.	IL Secretary of state	UCC-1	D-Link Systems, Inc.	Consigned inventory	10/16/14	19726150	6/26/15	09363045
62.	Kmart Stores of Illinois LLC	IL Secretary of State	UCC-1	Bio-Lab, Inc.	Consigned inventory	1/23/07	11741681	1/23/12 11/02/16	009157193 009444896
63.	Kmart Stores of Illinois LLC	IL Secretary of State	UCC-1	HomeCare Labs, Inc.	Consigned inventory	1/23/07	11741703	1/23/12 11/02/16	009157194 009444897
64.	Kmart Stores of Illinois LLC	IL Secretary of State	UCC-1	Jacmel Jewelry Inc.	Consigned inventory	10/27/14	19751392	N/A	N/A

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65.	Kmart Stores of Texas LLC	TX Secretary of State	UCC-1	Bio-Lab, Inc.	Consigned inventory	1/29/07	07-0003108756	1/23/12 11/02/16	12-00023888 16-00358725
66.	Kmart Stores of Texas LLC	TX Secretary of State	UCC-1	HomeCare Labs, Inc.	Consigned inventory	1/23/07	07-0002446699	1/23/12 11/02/16	12-00023886 16-00358729
67.	Kmart Stores of Texas LLC	TX Secretary of State	UCC-1	Jacmel Jewelry Inc.	Consigned inventory	10/27/14	14-0034360314	N/A	N/A
68.	Sears Brand Management Corporation	DE Secretary of State	UCC-1	Early Morning LLC	Consigned inventory	1/18/18	20180425047	N/A	N/A
69.	Sears Brand Management Corporation	DE Secretary of State	UCC-1	Hilco Wholesale Solutions, LLC	Consigned inventory	3/18/16	20161652229	N/A	N/A
70.	Sears Brand Management Corporation	DE Secretary of State	UCC-1	LM Farms, LLC	Consigned inventory	1/18/18	20180424727	N/A	N/A
71.	Sears Brand Management Corporation	DE Secretary of State	UCC-1	Riverstone USA LLC	Consigned inventory	10/28/16	20166659104	N/A	N/A

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72.	Sears Brand Management Corporation	DE Secretary of State	UCC-1	Shaghal Ltd.	Consigned inventory	10/1/15	20154442397	N/A	N/A
73.	Sears Brand Management Corporation/Sears Holdings Management Corporation/Sears Holdings Corporation	DE Secretary of State	UCC-1	Tiger Capital Group, LLC	Consigned inventory	2/8/18	20180915161	N/A	N/A
74.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Aneri Jewels, L.L.C	Consigned inventory	12/29/15	20156311038	N/A	N/A
75.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Bracketron, Inc.	Consigned inventory	3/22/16	20161715067	N/A	N/A
76.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Mantua Manufacturing Co.	Consigned inventory	10/2/18	20186813873	N/A	N/A
77.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Riverstone USA LLC	Consigned inventory	10/28/16	20166658916	N/A	N/A

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78.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Rosy Blue, Inc.	Consigned inventory	9/10/13	20133515278	3/13/18	20181727904
79.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Shaghal Ltd.	Consigned inventory	10/1/15	20154442603	N/A	N/A
80.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Shanti Corporation D/B/A Vijay Gold Designs	Consigned inventory	9/17/13	20133616209	8/6/18	20185411505
81.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Soft Air USA Inc.	Consigned inventory	5/19/17	20173319099	N/A	N/A
82.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Suberi Brothers, LLC	Consigned inventory	3/12/13	20130947524	3/12/18	20181692199
83.	Sears Holdings Corporation	DE Secretary of State	UCC-1	Vijaydimon (USA) Inc.	Consigned inventory	9/12/13	20133564060	8/6/18	20185411547
84.	Sears Holdings Corporation	IL Secretary of State	UCC-1	MaxMark, Inc.	Consigned inventory	3/03/17	022163000	N/A	N/A

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85.	Sears Holdings Corporation/K mart Holding Corporation	DE Secretary of State	UCC-1	RGGD, Inc. d/b/a Crystal Art Gallery	Consigned inventory	3/16/12	20121026733	3/06/17	20171481271
86.	Sears Holdings Corporation/K mart Holding Corporation	IL Secretary of State	UCC-1	RGGD, Inc., d/b/a Crystal Art Gallery	Consigned inventory	3/26/14	01713697	3/8/17	009467438
87.	Sears Holdings Corporation/S ears Holdings Management Corporation	DE Secretary of State	UCC-1	Aneri Jewels, L.L.C.	Consigned inventory	9/17/14	20143714227	12/10/15	20155946255
88.	Sears Holdings Corporation/S ears Holdings Management Corporation	DE Secretary of State	UCC-1	Combine International, Inc.(d/b/a I.L. MFG Co., Shan Corporation and/or NSM Corp.)	Consigned inventory	8/28/08	20082932810	5/19/09 6/26/13 4/10/18	20091581823 20132463777 20182435051
89.	Sears Holdings Corporation/S	DE Secretary of State	UCC-1	Sun Diamond, Inc. d/b/a Sun Source	Consigned inventory	8/13/14	20143244829	N/A	N/A

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	Sears Holdings Management Corporation								
90.	Sears Holdings Corporation/Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Suberi Brothers, LLC	Consigned inventory	3/12/18	20181687009	N/A	N/A
91.	Sears Holdings Corporation/Sears Holdings Management Corporation/Sears Holdings Inc.	DE Secretary of State	UCC-1	The Luxe Group Inc.	Consigned inventory	12/05/16	20167514852	N/A	N/A
92.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Abrim Enterprises, Inc.	Consigned inventory	9/23/16	20165840119	N/A	N/A
93.	Sears Holdings	DE Secretary of State	UCC-1	Aneri Jewels, L.L.C	Consigned inventory	12/29/15	20156311178	N/A	N/A

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	Management Corporation								
94.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Canon Financial Services, Inc.	Leased or financed equipment	12/19/14	20145172150	N/A	N/A
95.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Canon Financial Services, Inc.	Leased or financed equipment	12/29/15	20156308844	N/A	N/A
96.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Cross Country Home Services, Inc., on behalf of itself and as Agent	Receivables under THM program documents (with HomeSure vendors)	11/1/17	20177234570	N/A	N/A
97.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Hewlett-Packard Financial Services Company	Leased or financed equipment	8/4/14	20143096716	N/A	N/A
98.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Jacmel Jewelry Inc.	Consigned inventory	10/27/14	20144299681	N/A	N/A

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99.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Kama-Schachter Jewelry, Inc.	Consigned inventory	9/19/16	20165726466	N/A	N/A
100.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Mantua Manufacturing Co.	Consigned inventory	10/2/18	20186813626	N/A	N/A
101.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Plymouth Packaging, Inc. dba Box on Demand	Specific machinery	10/13/16	20166295644	N/A	N/A
102.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Three Point Capital, LLC	Tax credit from State of IL	10/5/16	20166110884	N/A	N/A
103.	Sears Holdings Management Corporation	DE Secretary of State	UCC-1	Twentieth Century Fox Home Entertainment LLC	Consigned inventory	4/27/17	20172761630	N/A	N/A
104.	Sears Holdings Management Corporation	IL Secretary of State	UCC-1	Abrim Enterprises, Inc.	Consigned inventory	9/22/16	21733121	N/A	N/A

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105	Sears Holdings Management Corporation	IL Secretary of State	UCC-1	Allure Gems LLC	Consigned inventory	10/21/16	21810061	N/A	N/A
106	Sears Holdings Management Corporation	IL Secretary of State	UCC-1	MaxMark Inc.	Consigned inventory	10/17/13	18685485	N/A	N/A
107	Sears Holdings Management Corporation/Sears Holdings Corporation	DE Secretary of State	UCC-1	Suberi Brothers, LLC	Consigned inventory	3/12/13	20130947813	3/12/18 5 3/13/18	2018 1692199 2018 1733290
108	Sears Home & Business Franchises, Inc.	DE Secretary of State	UCC-1	U.S. Bank Equipment Finance, a division of U.S. Bank National Association	Specific equipment	12-8-15	20155868921	N/A	N/A
109	Sears Home & Business Franchises, Inc.	DE Secretary of State	UCC-1	VAR Resources, LLC	Specific equipment	3-22-17	20171866307	N/A	N/A

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110	Sears Home Improvement Products, Inc.	PA Secretary of Commonwealth	UCC-1	Toyota Industries Commercial Finance, Inc.	Specific machinery	1/20/17	2017012000854	N/A	N/A
111	Sears Operations LLC	DE Secretary of State	UCC-1	American Greetings Corporation	PMSI inventory	7/1/2015	20152834777	8/22/16	2016 5092653
112	Sears Operations LLC	DE Secretary of State	UCC-1	RX Gear, LLC	Consigned inventory	7/31/15	20153333522	N/A	N/A
113	Sears Operations LLC	DE Secretary of State	UCC-1	Seiko Corporation of America	Consigned inventory	8/26/15	20153752911	N/A	N/A
114	Sears Operations LLC	DE Secretary of State	UCC-1	Work 'N Gear, LLC	Consigned inventory	7/31/15	20153333423	N/A	N/A
115	Sears Roebuck and Co.	NY Department of State	UCC-1	Seiko Corporation of America	Consigned inventory	9-20-13	201309208382954	8-10-18	201809108411994
116	Sears, Roebuck and Co.	IL Secretary of State	UCC-1	Abrim Enterprises, Inc.	Consigned inventory	9/22/16	021732508	N/A	N/A

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117	Sears, Roebuck and Co.	IL Secretary of State	UCC-1	Crown Credit Company	Equipment	10/6/14	019695123	N/A	N/A
118	Sears, Roebuck and Co.	IL Secretary of State	UCC-1	Dell Financial Services, L.P.	Computer equipment	6/23/00	004231060	5/26/05 4/30/10 11/18/10 5/29/15	008764570 009042080 009078848 009359027
119	Sears, Roebuck and Co.	IL Secretary of State	UCC-1	Richline Group, Inc.	Consigned inventory	10/23/14	019744515	N/A	N/A
120	Sears, Roebuck and Co.	NY Department of State	UCC-1	Abrim Enterprises, Inc.	Consigned inventory	9/22/16	201609228377179	N/A	N/A
121	Sears, Roebuck and Co.	NY Department of State	UCC-1	American Greetings Corporation	PMSI inventory	7/1/15	201507015725202	8/22/16	201608226001740
122	Sears, Roebuck and Co.	NY Department of State	UCC-1	Aneri Jewels, Inc.	Consigned inventory	12/29/15	201512296458142	N/A	N/A
123	Sears, Roebuck and Co.	NY Department of State	UCC-1	Lucent Jewelers, Inc.	Consigned inventory	9/11/14	201409118353324	8/10/15	201508108306068

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124	Sears, Roebuck and Co.	NY Department of State	UCC-1	Beauty Gem, Inc.	Consigned inventory	8/10/11	201108100433869	4/15/16 10/4/16	201604150176930 201610040477344
125	Sears, Roebuck and Co.	NY Department of State	UCC-1	Bio-Lab, Inc.	Consigned inventory	1/23/07	200701230055253	1/23/12 12/2/16	201201235087232 201612020571560
126	Sears, Roebuck and Co.	NY Department of State	UCC-1	Combine International, Inc. (d/b/a I.L. Mft. Co., Shan Corporation and/or NSM Corp.	Consigned inventory	8/28/08	200808280601486	6/27/13 4/10/18	201306270359563 201804100166286
127	Sears, Roebuck and Co.	NY Department of State	UCC-1	Cross Country Home Services, Inc., on behalf of itself and as agent	Receivables under THM program documents (with HomeSure vendors)	11/1/17	201711010534407	N/A	N/A
128	Sears, Roebuck and Co.	NY Department of State	UCC-1	Early Morning LLC	Consigned inventory	1/19/18	201801190029719	N/A	N/A
129	Sears, Roebuck and Co.	NY Department of State	UCC-1	Envisions LLC	Consigned inventory	3/31/17	201703318132790	N/A	N/A

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
130	Sears, Roebuck and Co.	NY Department of State	UCC-1	ET Enterprises Distributors, Inc.	Consigned apparel and visor merchandise, total \$54,846.00	8/11/16	201608110386101	N/A	N/A
131	Sears, Roebuck and Co.	NY Department of State	UCC-1	Gold LLC	Consigned inventory	6/20/13	201306205672669	5/11/18	201805115580409
132	Sears, Roebuck and Co.	NY Department of State	UCC-1	Hilco Wholesale Solutions, LLC	Consigned inventory	3/18/16	201603188106670	N/A	N/A
133	Sears, Roebuck and Co.	NY Department of State	UCC-1	HomeCare Labs, Inc.	Consigned inventory	1/23/07	200701230055241	1/23/12 12/2/16	201201235087244 201612020571522
134	Sears, Roebuck and Co.	NY Department of State	UCC-1	Jacmel Jewelry Inc.	Consigned inventory	10/27/14	201410270600834	N/A	N/A
135	Sears, Roebuck and Co.	NY Department of State	UCC-1	Kama-Schachter Jewelry, Inc.	Consigned inventory	9/19/16	201609196110859	N/A	N/A
136	Sears, Roebuck and Co.	NY Department of State	UCC-1	Lands' End Inc.	Consigned inventory	1/27/17	201701270037999	N/A	N/A

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
137	Sears, Roebuck and Co.	NY Department of State	UCC-1	LM Farms, LLC	Consigned inventory	1/19/18	201801190029721	N/A	N/A
138	Sears, Roebuck and Co.	NY Department of State	UCC-1	Mantua Manufacturing Co.	Consigned inventory	10/2/18	201810028451499	N/A	N/A
139	Sears, Roebuck and Co.	NY Department of State	UCC-1	Maxcolor LLC	Consigned inventory	9/6/17	201709068382318	N/A	N/A
140	Sears, Roebuck and Co.	NY Department of State	UCC-1	NMHG Financial Services, Inc.	Leased equipment	1/14/10	201001145039567	8/19/14	201408195885473
141	Sears, Roebuck and Co.	NY Department of State	UCC-1	PAJ, Inc.	Consigned inventory	10/23/13	201310238426034	5/20/14 7/28/14 9/25/14 12/12/14 1/20/15 2/11/15 2/25/15 4/1/15 5/26/15	201405208192056 201407288290826 201409258374391 201412128486689 201501208021186 201502118051411 20150225806729

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
									7 20150401811448 2 20150526819726 4
142	Sears, Roebuck and Co.	NY Department of State	UCC-1	Riverstone USA LLC	Consigned inventory	11/10/16	201611100538286	N/A	N/A
144	Sears, Roebuck and Co.	NY Department of State	UCC-1	Rosy Blue, Inc.	Consigned inventory	8/23/13	201308230481633	2/28/18	201802280096569
146	Sears, Roebuck and Co.	NY Department of State	UCC-1	S&J Diamond Corp. Disons Gems, Inc.	Consigned inventory	8/5/15	201508050398618	N/A	N/A
147	Sears, Roebuck and Co.	NY Department of State	UCC-1	Sakar International, Inc.	Consigned inventory	9/30/14	201409308380725	N/A	N/A
148	Sears, Roebuck and Co.	NY Department of State	UCC-1	Shaghal Ltd.	Consigned inventory	10/1/15	201510018378394	N/A	N/A
149	Sears, Roebuck and Co.	NY Department of State	UCC-1	Shanti Corporation d/b/a Vijay Gold Designs	Consigned inventory	9/17/13	201309170529052	8/7/18	201808070371826

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
150	Sears, Roebuck and Co.	NY Department of State	UCC-1	Suberi Brothers, LLC	Consigned inventory	3/12/13	201303125262415	3/12/18	201803125295476
151	Sears, Roebuck and Co.	NY Department of State	UCC-1	Aneri Jewels, L.L.C.	Consigned inventory	9/17/14	201409175988722	12/10/15	201512106388702
152	Sears, Roebuck and Co.	NY Department of State	UCC-1	Sun Diamond, Inc.	Consigned inventory	10/08/09	200910085908309	8/13/14	201408135861344
153	Sears, Roebuck and Co.	NY Department of State	UCC-1	Thompson Tractor Co., Inc.	Caterpillar tractor	3/5/15	201503058082566	N/A	N/A
154	Sears, Roebuck and Co.	NY Department of State	UCC-1	Tiger Capital Group, LLC	Consigned inventory	2/8/18	201802080062302	N/A	N/A
155	Sears, Roebuck and Co.	NY Department of State	UCC-1	Twentieth Century Fox Home Entertainment LLC	Consigned inventory	4/27/17	201704270202869	N/A	N/A
156	Sears, Roebuck and Co.	NY Department of State	UCC-1	Vijaydimon (USA) Inc.	Consigned inventory	6/22/15	201506220309221	N/A	N/A

	<u>Debtor</u>	<u>Place of Filing</u>	<u>Type of filing found</u>	<u>Secured Party</u>	<u>Collateral</u>	<u>Original File Date</u>	<u>Original File Number</u>	<u>Amendment /Continuation File Date</u>	<u>Amendment/Continuation File Number</u>
157	Sears, Roebuck and Co.	NY Department of State	UCC-1	Vijaydimon (USA) Inc.	Consigned inventory	9/13/13	201309130523646	8/7/18	201808070371814

Schedule 1.1(k)

Specified Receivables

1. See Annex 11, attached.

Schedule 1.1(l)

Warranty Receivables

1. See Annex 12, attached.

Schedule 1.1(m)

GOB Leases

<u>Store#</u>	<u>City</u>	<u>State</u>	<u>Fee Type</u>
9711	Russellville	AR	Lease
1169	Chandler	AZ	Lease
1078	Mesa/East	AZ	Lease
1768	Paradise Vly	AZ	Lease
1708	Phoenix-Desert Sky	AZ	Lease
2047	Sierra Vista	AZ	Lease
4996	Tucson	AZ	GL
4996	Tucson	AZ	GL
2078	Yuma	AZ	Lease
9608	Auburn	CA	Lease
1318	Bakersfield	CA	Lease
3834	Burbank	CA	Lease
3834	Burbank	CA	Lease
1518	Cerritos	CA	Lease
3945	Delano	CA	Lease
1988	El Centro	CA	Lease
1408	Florin	CA	Lease
2298	Merced	CA	Lease
1618	Modesto	CA	Lease
2138	Santa Barbara	CA	Lease
1658	Santa Rosa	CA	Lease
3174	Stockton	CA	Lease
3828	Temecula	CA	GL
1221	Chapel Hills	CO	Lease
1221	Chapel Hills	CO	Lease
1111	Colorado Springs	CO	GL
1111	Colorado Springs	CO	GL
1071	Lakewood	CO	Lease

3216	Vernon	CT	Lease
1193	Waterford	CT	Lease
1755	Boynton Beach	FL	Lease
2565	Bradenton	FL	Lease
4893	Ellenton	FL	Lease
4893	Ellenton	FL	Lease
2315	Jensen Bch(Stuart)	FL	Lease
1955	Lakeland	FL	Lease
2245	Melbourne	FL	Lease
1006	Ocala	FL	Lease
2145	Port Charlotte	FL	Lease
2145	Port Charlotte	FL	Lease
1585	Tallahassee	FL	GL
1745	Tampa/Westshore	FL	Lease
2505	Covington	GA	Lease
2505	Covington	GA	Lease
2422	Sioux City	IA	Lease
9309	Webster City	IA	Lease
1229	Boise	ID	Lease
2278	Idaho Falls	ID	Lease
3371	Chicago	IL	Lease
1640	Elk Grove Vlg	IL	GL
1640	Elk Grove Vlg	IL	GL
1740	Joliet	IL	Lease
4297	Mokena	IL	Lease
2990	Rockford-Cherryvale	IL	Lease
2990	Rockford-Cherryvale	IL	Lease
9030	Peru	IN	Lease
9030	Peru	IN	Lease
1161	Wichita-Town East	KS	GL
1226	Metairie	LA	Lease

1226	Metairie	LA	Lease
4810	Metairie	LA	Lease
4810	Metairie	LA	Lease
1403	Natick	MA	Lease
3256	Baltimore	MD	Lease
1424	Bethesda	MD	Lease
2034	Bowie	MD	Lease
1844	Columbia	MD	Lease
1773	Prince Frederick	MD	Lease
1773	Prince Frederick	MD	Lease
9521	Madawaska	ME	Lease
3380	Waterville	ME	Lease
1390	Ann Arbor	MI	Lease
1250	Lincoln Park	MI	Lease
1722	Bloomington	MN	GL
1112	Minnetonka	MN	Lease
4351	Rochester	MN	Lease
4351	Rochester	MN	Lease
1052	St Paul	MN	Lease
9353	Crystal City	MO	Lease
9353	Crystal City	MO	Lease
4304	Florissant	MO	Lease
9520	Gulfport	MS	Lease
9520	Gulfport	MS	Lease
2106	Tupelo	MS	Lease
3886	Asheville	NC	Lease
3886	Asheville	NC	Lease
1045	Durham-Northgate	NC	Lease
9619	Morehead City	NC	Lease
9619	Morehead City	NC	Lease
9549	Morganton	NC	Lease

9549	Morganton	NC	Lease
1375	Winston Salem	NC	Lease
4022	Grand Forks	ND	Lease
4022	Grand Forks	ND	Lease
9319	Alliance	NE	Lease
9319	Alliance	NE	Lease
2421	Grand Island	NE	Lease
1041	Omaha	NE	GL
2663	Portsmouth	NH	Lease
1464	Deptford	NJ	Lease
1574	Middletown	NJ	Lease
3071	Toms River	NJ	Lease
3071	Toms River	NJ	Lease
1287	Coronado	NM	Lease
1828	Las Vegas	NV	GL
1328	Las Vegas(Blvd)	NV	Lease
1328	Las Vegas(Blvd)	NV	Lease
9274	Greenwich	NY	Lease
9274	Greenwich	NY	Lease
7065	Horseheads	NY	Lease
9381	Huntington	NY	Lease
1414	Nanuet	NY	Lease
1894	Rochester	NY	GL
2173	Saratoga	NY	Lease
2683	Watertown	NY	Lease
7677	Wellsville	NY	Lease
1944	Yorktown Hts	NY	Lease
3013	Cleveland	OH	Lease
3013	Cleveland	OH	Lease
9096	Fostoria	OH	Lease
9096	Fostoria	OH	Lease

2001	Piqua	OH	GL
1210	Polaris	OH	Lease
2311	Norman	OK	Lease
1151	Tulsa Woodland Hls	OK	Lease
3839	Corvallis	OR	Lease
3839	Corvallis	OR	Lease
2179	Medford	OR	Lease
1079	Washington Sq	OR	Lease
2494	Altoona	PA	Lease
2494	Altoona	PA	Lease
7746	Carlisle	PA	Lease
4113	Erie	PA	Lease
4113	Erie	PA	Lease
1714	Greensburg	PA	GL
1644	Lancaster	PA	GL
4064	North Versailles	PA	Lease
3527	Philadelphia	PA	Lease
1484	Reading	PA	Lease
2074	Stroudsburg	PA	Lease
4858	Caguas	PR	Lease
3896	San German	PR	Lease
4490	San Juan	PR	Lease
2807	Rock Hill	SC	Lease
7043	Rock Hill	SC	Lease
7062	Sumter	SC	Lease
7062	Sumter	SC	Lease
4170	Rapid City	SD	Lease
4170	Rapid City	SD	Lease
1146	Cordova	TN	Lease
1386	Goodlettsville	TN	GL
2036	Jackson	TN	Lease

2036	Jackson	TN	Lease
2156	Maryville	TN	Lease
2226	Murfreesboro	TN	Lease
9735	Sevierville	TN	Lease
9735	Sevierville	TN	Lease
1387	Amarillo	TX	Lease
1387	Amarillo	TX	Lease
1357	Austin/Barton Creek	TX	Lease
1080	Frisco	TX	Lease
1277	Ingram	TX	Lease
2147	Irving	TX	Lease
2487	Killeen	TX	Lease
2487	Killeen	TX	Lease
2557	Longview	TX	Lease
1247	Lubbock	TX	Lease
2637	Port Arthur	TX	Lease
1207	Richardson	TX	Lease
1227	Southwest Ctr	TX	Lease
1367	Waco	TX	Lease
1367	Waco	TX	Lease
2435	Charlottesville	VA	Lease
2435	Charlottesville	VA	Lease
1575	Hampton	VA	Lease
2329	Kennewick(Pasco)	WA	Lease
2329	Richland	WA	Lease
1130	Janesville	WI	GL
3692	Oconomowoc	WI	Lease
3692	Oconomowoc	WI	Lease
4188	Charleston	WV	Lease
4736	Casper	WY	Lease

Schedule 1.1(n)
GOB Owned Stores

<u>Store #</u>	<u>City</u>	<u>State</u>
1075	Daytona Beach	FL
2885	Port Richey	FL
1475	Durham	NC
2191	Lincoln	NE
1216	Memphis/Southland	TN
2092	Appleton	WI
4395	Cudahy	WI

Schedule 1.1(o)
Operating Leases

<u>Store#</u>	<u>City</u>	<u>State</u>	<u>Fee Type</u>
2027	Wasilla	AK	GL
8706	Birmingham	AL	Lease
2306	Gadsden	AL	Lease
49003	Mobile	AL	Lease
2796	Tuscaloosa	AL	GL
2126	Hot Springs	AR	Lease
8941	Little Rock	AR	Lease
1206	North Little Rock	AR	Lease
1798	Glendale	AZ	Lease
30938	Glendale	AZ	Lease
3707	Lake Havasu City	AZ	Lease
7088	Mesa	AZ	Lease
8778	Phoenix	AZ	Lease
2218	Prescott	AZ	Lease
5865	Scottsdale	AZ	Lease
61901	Scottsdale	AZ	GL
49028	Tempe	AZ	Lease
5880	Tempe	AZ	Lease
1728	Tucson	AZ	GL
49011	Tucson	AZ	Lease
8937	Tucson	AZ	Lease
5866	Tucson (Marana)	AZ	Lease
4762	Antioch	CA	Lease
7619	Atascadero	CA	Lease
1018	Baldwin Hills	CA	Lease
8901	Benicia	CA	Lease
7653	Big Bear Lake	CA	Lease
7756	Bishop	CA	Lease

1008	Boyle	CA	Lease
1638	Brea	CA	Lease
1268	Buena Park	CA	Lease
1838	Burbank	CA	GL
7165	Camarillo	CA	Lease
1678	Carlsbad	CA	GL
3086	Chico	CA	Lease
1358	Chula Vista	CA	Lease
1098	Clovis	CA	Lease
1368	Concord	CA	GL
7098	Concord	CA	Lease
5798	Concord-Mcphails	CA	Lease
1388	Costa Mesa	CA	Lease
4047	Costa Mesa	CA	Lease
5382	Costa Mesa	CA	Lease
1309	Downey	CA	GL
2728	Downey	CA	GL
1758	Escondido	CA	GL
2628	Eureka	CA	Lease
3725	Freedom	CA	GL
1208	Fresno	CA	Lease
8366	Fresno	CA	Lease
8913	Fresno	CA	Lease
1088	Glendale	CA	GL
9746	Grass Valley	CA	Lease
2656	Hanford	CA	Lease
1248	Hayward	CA	Lease
4457	Hayward	CA	GL
5689	Hayward	CA	Lease
2028	Hemet	CA	GL
3748	Hollister	CA	GL

4819	Lakeport	CA	Lease
8258	Lakewood	CA	Lease
3982	Lemoore	CA	Lease
9328	Long Beach	CA	GL
8253	Mcclellan	CA	Lease
7390	Mckinleyville	CA	Lease
8868	Milpitas	CA	Lease
8780	Mira Loma	CA	Lease
8928	Mira Loma(Jurupa VI)	CA	Lease
3345	Modesto	CA	Lease
1748	Montclair	CA	Lease
1998	Montebello	CA	Lease
1868	Moreno Vly	CA	Lease
1168	No Hollywood	CA	Lease
4421	North Hollywood	CA	Lease
1508	Northridge	CA	Lease
3842	Oakdale	CA	Lease
3483	Ontario	CA	Lease
8287	Ontario	CA	Lease
8729	Ontario	CA	Lease
1378	Orange	CA	GL
1968	Palm Desert	CA	Lease
2798	Palm Desert	CA	GL
9551	Paradise	CA	Lease
1048	Pasadena	CA	GL
3501	Petaluma	CA	Lease
3531	Pinole	CA	Lease
7471	Placerville	CA	Lease
1019	Pleasanton	CA	Lease
3678	Ramona	CA	Lease
5668	Rancho Cordova	CA	Lease

1818	Rancho Cucamonga	CA	GL
4349	Redwood City	CA	Lease
1298	Riverside	CA	Lease
4706	Riverside	CA	Lease
7175	Riverside	CA	Lease
5784	Rohnert Park	CA	Lease
8768	Sacramento	CA	Lease
1688	Salinas	CA	Lease
3412	Salinas	CA	Lease
1398	San Bernardino	CA	Lease
1478	San Bruno	CA	Lease
62529	San Diego	CA	Lease
8748	San Diego	CA	Lease
31882	San Diego	CA	Lease
5000	San Francisco	CA	Lease
8398	San Jose	CA	Lease
1488	San Jose-Eastridge	CA	Lease
30969	San Leandro	CA	Lease
5787	San Rafael - Mcphails	CA	Lease
8369	Santa Ana	CA	Lease
8808	Santa Ana	CA	Lease
5764	Santa Clara	CA	Lease
2088	Santa Maria	CA	Lease
7639	Santa Paula	CA	Lease
9797	Scotts Valley	CA	GL
9153	South Lake Tahoe	CA	Lease
1288	Stockton	CA	GL
8708	Stockton	CA	Lease
8758	Sylmar	CA	Lease
4751	Tehachapi	CA	Lease
1108	Temecula	CA	Lease

3127	Temple City	CA	Lease
1278	Torrance	CA	GL
2059	Tracy	CA	Lease
62538	Tustin	CA	Lease
3018	Valencia	CA	Lease
1148	Ventura	CA	Lease
2829	Victorville	CA	Lease
2068	Visalia	CA	Lease
9761	Visalia	CA	Lease
1189	West Covina	CA	Lease
3235	West Covina	CA	Lease
9489	West Hills	CA	Lease
1149	Whittier	CA	Lease
2238	Yuba City	CA	Lease
1141	Aurora	CO	Lease
8290	Brighton	CO	Lease
1131	Centennial	CO	Lease
4224	Denver	CO	Lease
1467	Ft Collins	CO	GL
7329	Loveland	CO	Lease
4453	Pueblo	CO	Lease
1303	Danbury	CT	Lease
1014	Enfield	CT	Lease
1134	Milford	CT	Lease
3495	Milford	CT	Lease
7109	Watertown	CT	Lease
4807	Bear	DE	Lease
4456	Bridgeville	DE	Lease
2654	Dover	DE	Lease
7725	Rehoboth Beach	DE	Lease
3873	Wilmington	DE	Lease

3317	Boca Raton	FL	Lease
5958	Bonita Springs Showroom	FL	Lease
6820	Boynton Beach	FL	GL
7321	Bradenton	FL	Lease
1007	Brandon	FL	Lease
2485	Brooksville	FL	GL
1125	Coral Gables	FL	Lease
1715	Doral(Miami)	FL	Lease
7067	Fort Myers	FL	Lease
1195	Ft Lauderdale	FL	GL
1495	Ft Myers	FL	Lease
5863	Ft Myers	FL	Lease
8972	Ft Myers	FL	Lease
8990	Ft Pierce	FL	Lease
3424	Gainesville	FL	Lease
1345	Hialeah/Westland	FL	Lease
3818	Hollywood	FL	Lease
425	Jacksonville	FL	Lease
7979	Jacksonville	FL	Lease
9614	Key Largo	FL	Lease
2215	Key West	FL	Lease
4725	Key West	FL	Lease
49012	Lake Mary	FL	Lease
3269	Lantana	FL	Lease
2745	Leesburg	FL	Lease
9224	Marathon	FL	Lease
3074	Miami	FL	Lease
3793	Miami	FL	Lease
4728	Miami	FL	Lease
8065	Miami	FL	Lease
5991	Miami - Showroom	FL	Lease

1365	Miami/Cutler Rdg	FL	Lease
2056	Mry Est/Ft Wltn Bch	FL	Lease
2695	Naples	FL	Lease
5237	Oakland Park	FL	Lease
8864	Ocala	FL	Lease
1456	Oviedo	FL	GL
1765	Palm Beach Gardens	FL	GL
2805	Panama City	FL	Lease
1775	Pembroke Pines	FL	Lease
31918	Pembroke Pines	FL	Lease
8066	Pensacola	FL	Lease
8957	Pensacola	FL	Lease
1205	Pompano Beach	FL	Lease
5962	Pompano Beach	FL	Lease
5976	Sarasota	FL	Lease
4355	St. Petersburg	FL	Lease
8815	Sunrise	FL	Lease
8895	Tampa	FL	Lease
1066	The Avenues	FL	Lease
7294	Vero Beach	FL	Lease
5959	West Palm Bch	FL	Lease
5185	Winter Park	FL	Lease
8825	Winter Park	FL	Lease
1385	Atlanta	GA	Lease
3713	Covington	GA	Lease
3978	Peachtree City	GA	Lease
8872	Pendergrass	GA	Lease
1305	Savannah	GA	Lease
8902	Savannah	GA	Lease
1578	Aiea Oahu-Pearl Rdg	HI	Lease
8049	Hilo	HI	GL

2388	Hilo(Sur)	HI	Lease
1681	Honolulu	HI	Lease
8158	Honolulu	HI	GL
2148	Kahului Maui(Sur)	HI	GL
1738	Kaneohe(Sur)	HI	GL
8818	Pearl City	HI	GL
9220	Algona	IA	Lease
7767	Charles City	IA	Lease
9222	Cherokee	IA	Lease
3447	Clive	IA	Lease
3097	Council Bluffs	IA	Lease
45113	Des Moines	IA	Lease
8711	Boise	ID	Lease
7033	Lewiston	ID	Lease
7006	Twin Falls	ID	Lease
8844	Bloomington	IL	Lease
4381	Bridgeview	IL	Lease
2936	Chicago	IL	GL
4214	Des Plaines	IL	Lease
8555	Elk Grove Village	IL	Lease
8730	Granite City	IL	Lease
8720	Melrose Park	IL	Lease
1212	N Riverside	IL	Lease
8262	Naperville	IL	Lease
1290	Niles	IL	Lease
9348	Norridge	IL	Lease
1300	Oakbrook	IL	Lease
4433	Quincy	IL	Lease
8871	Romeoville	IL	Lease
8934	Romeoville	IL	Lease
7289	Steger	IL	Lease

30936	Tinley Park	IL	GL
8017	Elwood	IN	Lease
9124	Elwood	IN	Lease
8013	Fort Wayne	IN	Lease
1830	Ft Wayne	IN	Lease
1470	Greenwood	IN	Lease
9354	Griffith	IN	Lease
3251	Indianapolis	IN	GL
8750	Indianapolis	IN	Lease
3823	Jasper	IN	Lease
7243	Kokomo	IN	Lease
7246	Richmond	IN	Lease
8014	South Bend	IN	Lease
2600	Terre Haute	IN	Lease
7042	Valparaiso	IN	GL
9122	Warsaw	IN	Lease
4215	Kansas City	KS	Lease
8273	Lawrence	KS	Lease
8420	Olathe	KS	Lease
7169	Salina	KS	Lease
8081	Wichita	KS	Lease
2546	Bowling Green	KY	Lease
3029	Erlanger	KY	Lease
7229	Grayson	KY	Lease
24015	Louisville	KY	Lease
8920	Louisville	KY	Lease
1790	Louisville-Okolona	KY	Lease
3941	Russell Springs	KY	Lease
7255	Somerset	KY	Lease
8896	Gonzales	LA	Lease
8736	Harahan	LA	Lease

7223	Metairie	LA	Lease
7104	Acton	MA	Lease
1213	Auburn	MA	Lease
3288	Billerica	MA	Lease
1283	Braintree	MA	GL
4407	Brockton	MA	Lease
1223	Brockton-Westgate	MA	GL
4444	Fitchburg	MA	Lease
1243	Hanover	MA	Lease
2323	Hyannis	MA	Lease
3040	Hyannis	MA	Lease
1133	Leominster	MA	Lease
2373	No Dartmouth	MA	Lease
1053	Saugus	MA	Lease
3486	Somerville	MA	Lease
9692	Webster	MA	Lease
8851	Westwood	MA	Lease
1725	Annapolis	MD	Lease
2823	Baltimore/E Pt	MD	Lease
1374	Bel Air	MD	GL
8814	Columbia	MD	Lease
2774	Cumberland	MD	Lease
7713	Edgewater	MD	Lease
2664	Frederick	MD	Lease
3131	Frederick	MD	Lease
1754	Gaithersburg	MD	Lease
1013	Glen Burnie	MD	GL
3172	Hagerstown	MD	Lease
3798	Hyattsville	MD	Lease
3654	Oxon Hill	MD	Lease
3807	Prince Frederick	MD	Lease

1304	Silver Spring	MD	GL
4399	Silver Spring	MD	Lease
7673	Stevensville	MD	Lease
2963	Westminster	MD	Lease
3021	Auburn	ME	Lease
7133	Augusta	ME	Lease
2203	Brunswick	ME	Lease
3155	Belleville	MI	Lease
3820	Charlevoix	MI	Lease
9557	Grayling	MI	Lease
3819	Hastings	MI	Lease
2050	Jackson	MI	Lease
3308	Lake Orion	MI	Lease
1170	Lansing	MI	Lease
8830	Livonia	MI	Lease
9693	Marine City	MI	Lease
3841	Marshall	MI	Lease
7031	Menominee	MI	GL
7068	Midland	MI	Lease
9593	Oscoda	MI	Lease
6232	Roseville	MI	Lease
8982	Saginaw	MI	Lease
3379	Waterford Twp.	MI	Lease
8949	Wayland	MI	Lease
1092	Westland	MI	GL
8134	Wyoming	MI	Lease
8162	Eden Prairie	MN	Lease
9689	International Falls	MN	Lease
3405	Minneapolis	MN	GL
3059	St. Paul	MN	Lease
30956	West St. Paul	MN	GL

7021	Cape Girardeau	MO	Lease
7323	Fenton	MO	Lease
1042	Joplin	MO	GL
3239	Kansas City	MO	GL
7324	O'Fallon	MO	Lease
8701	Riverside	MO	Lease
62707	Springfield	MO	GL
4026	St. Joseph	MO	Lease
7719	Columbus	MS	Lease
88776	Olive Branch	MS	Lease
9808	Hamilton	MT	Lease
7030	Kalispell	MT	Lease
4112	Asheville	NC	Lease
2105	Burlington	NC	Lease
8319	Charlotte	NC	Lease
8822	Charlotte	NC	Lease
7208	Clemmons	NC	Lease
1405	Fayetteville	NC	Lease
2225	Goldsboro	NC	Lease
1335	Greensboro	NC	GL
8704	Greensboro	NC	Lease
2755	Jacksonville	NC	Lease
3744	Kill Devil Hills	NC	GL
1646	Pineville	NC	Lease
3667	Raleigh	NC	Lease
4450	Raleigh	NC	Lease
7385	Raleigh	NC	Lease
3808	Statesville	NC	Lease
7626	Waynesville	NC	Lease
3116	Wilmington	NC	Lease
4272	Bismarck	ND	Lease

4057	Fargo	ND	Lease
4353	Minot	ND	Lease
45114	Omaha	NE	Lease
2023	Concord	NH	Lease
3175	Hooksett	NH	Lease
8703	Kingston	NH	Lease
2443	Manchester	NH	Lease
1313	Nashua	NH	Lease
1003	Salem	NH	Lease
4448	Salem	NH	Lease
7048	West Lebanon	NH	Lease
3438	Avenel	NJ	Lease
7177	Belleville	NJ	Lease
1204	Freehold	NJ	Lease
3393	Glassboro	NJ	Lease
1094	Hackensack	NJ	GL
1044	Jersey Cty/Newport	NJ	GL
3499	Kearny	NJ	Lease
1494	Moorestown	NJ	GL
78714	Secaucus	NJ	Lease
9463	Somers Point	NJ	GL
8835	Swedesboro	NJ	Lease
4478	Trenton	NJ	Lease
7602	Wall	NJ	Lease
8380	Wall Township	NJ	Lease
1434	Wayne	NJ	Lease
3056	Wayne	NJ	Lease
4470	West Long Branch	NJ	Lease
9413	West Orange	NJ	Lease
3202	Westwood	NJ	Lease
1684	Woodbridge	NJ	GL

8905	Albuquerque	NM	Lease
2597	Farmington	NM	Lease
7035	Farmington	NM	Lease
7016	Hobbs	NM	Lease
2527	Las Cruces	NM	Lease
3301	Santa Fe	NM	Lease
1709	Henderson	NV	GL
2754	Henderson	NV	GL
3592	Las Vegas	NV	Lease
5864	Las Vegas	NV	Lease
8970	Las Vegas	NV	Lease
1668	Las Vegas(Meadows)	NV	Lease
5779	Reno - Mcphails	NV	Lease
26741	Amherst	NY	GL
4741	Batavia	NY	Lease
9589	Bath	NY	Lease
3862	Bohemia	NY	GL
9423	Bridgehampton	NY	Lease
7654	Bronx	NY	GL
9420	Bronx	NY	Lease
1114	Brooklyn	NY	GL
3415	Buffalo	NY	Lease
1984	Buffalo/Hamburg	NY	Lease
8854	Cheektowaga	NY	Lease
2626	College Point	NY	GL
4871	Farmingville	NY	GL
2744	Horseheads/Elmira	NY	GL
2584	Lakewood	NY	Lease
9415	Mahopac	NY	Lease
1404	Massapequa	NY	GL
2741	Massapequa	NY	GL

4034	Mattydale	NY	Lease
8959	Menands	NY	Lease
7749	New York	NY	Lease
7777	New York	NY	Lease
2593	Newburgh	NY	Lease
4123	Niagara Falls	NY	Lease
1333	Poughkeepsie	NY	GL
8102	Rochester	NY	Lease
3600	Schenectady	NY	Lease
7676	Sidney	NY	Lease
1624	Staten Island	NY	Lease
8753	Syosset	NY	Lease
1924	Valley Stream	NY	GL
1584	Victor	NY	Lease
9392	West Seneca	NY	Lease
1674	White Plains	NY	Lease
9416	White Plains	NY	Lease
1733	Yonkers	NY	Lease
9414	Yorktown Heights	NY	Lease
7383	Barberton	OH	Lease
3286	Brunswick	OH	Lease
1410	Canton	OH	Lease
1810	Cincinnati-Eastgate	OH	Lease
8790	Cleveland	OH	Lease
8712	Columbus	OH	Lease
8862	Columbus	OH	Lease
1560	Dayton Mall	OH	Lease
7209	East Liverpool	OH	Lease
7595	Gahanna	OH	Lease
7397	Grove City	OH	Lease
30962	Groveport	OH	Lease

7644	Harrison	OH	Lease
1081	Heath	OH	GL
7477	Marietta	OH	Lease
4257	Middleburg Heights	OH	Lease
8918	Monroe	OH	Lease
1564	Niles	OH	Lease
3243	North Canton	OH	Lease
3243	North Canton	OH	Lease
1280	Springdale	OH	GL
2104	St Clairsville	OH	Lease
3142	Tallmadge	OH	Lease
4782	Clinton	OK	Lease
8931	Oklahoma City	OK	Lease
4363	Tulsa	OK	Lease
4455	Beaverton	OR	Lease
8883	Eugene	OR	Lease
1119	Happy Valley	OR	Lease
8228	Portland	OR	Lease
8841	Portland	OR	Lease
2715	Salem	OR	Lease
2119	Salem(Lancaster)	OR	Lease
3888	The Dalles	OR	Lease
3361	Allentown	PA	Lease
8744	Allentown	PA	Lease
4150	Altoona	PA	Lease
8875	Altoona	PA	Lease
1454	Bensalem/Crnwls Hts	PA	Lease
9161	Berwick	PA	Lease
24411	Bridgeville	PA	Lease
1711	Camp Hill	PA	Lease
3225	Chambersburg	PA	Lease

8781	Chambersburg	PA	Lease
7293	Clifton Heights	PA	Lease
3911	Columbia	PA	Lease
3737	Doylestown	PA	Lease
2124	Dubois	PA	Lease
7192	Easton	PA	Lease
3266	Edwardsville	PA	Lease
3963	Elizabethtown	PA	Lease
9662	Ephrata	PA	Lease
1073	Exton	PA	GL
8873	Gouldsboro	PA	Lease
2244	Hanover	PA	Lease
3597	Holmes	PA	Lease
7470	Hummelstown	PA	Lease
1064	Langhrn/Oxford Vly	PA	Lease
7699	Lebanon	PA	Lease
7372	Leechburg	PA	Lease
3884	Matamoras	PA	Lease
1654	Media	PA	GL
433	Middletown	PA	Lease
8275	Morrisville	PA	Lease
7083	New Castle	PA	Lease
4054	New Kensington	PA	Lease
1834	North Wales	PA	GL
9409	Phoenixville	PA	Lease
4010	Pittsburgh	PA	Lease
8724	Pittsburgh	PA	Lease
9438	Pleasant Hills	PA	Lease
1034	Ross Park	PA	Lease
8976	Royersford	PA	Lease
3136	Shillington	PA	Lease

2605	State College	PA	Lease
8962	Steelton	PA	Lease
9539	Thorndale	PA	Lease
4713	Towanda	PA	Lease
3954	Walnutport	PA	Lease
2114	Washington	PA	Lease
7374	West Chester	PA	Lease
1154	Whitehall	PA	Lease
443	Wilkes-Barre ¹	PA	Lease
3268	Wilkes-Barre	PA	Lease
3390	Williamsport	PA	Lease
3810	Willow Street	PA	Lease
3949	Wind Gap	PA	Lease
4732	Aguadilla	PR	Lease
7566	Arecibo	PR	Lease
1915	Bayamon	PR	GL
7570	Bayamon	PR	Lease
7788	Bayamon	PR	Lease
1085	Caguas	PR	Lease
7419	Caguas	PR	Lease
1925	Carolina	PR	Lease
7665	Carolina	PR	Lease
7446	Cayey	PR	Lease
2085	Fajardo	PR	Lease
2675	Guayama	PR	Lease
7768	Guaynabo	PR	Lease
2355	Hatillo(Arecibo)	PR	GL
1905	Hato Rey	PR	GL
7783	Hato Rey	PR	GL
7842	Hato Rey	PR	Lease

¹ **Note to Draft:** This store will be a GOB store as of Closing.

3993	Juana Diaz	PR	Lease
1935	Mayaguez	PR	GL
1935	Mayaguez	PR	Lease
3882	Mayaguez	PR	Lease
2385	Naranjito	PR	Lease
1945	Ponce	PR	Lease
1945	Ponce	PR	Lease
7741	Ponce	PR	Lease
4844	Rio Piedras	PR	Lease
4494	Trujillo Alto	PR	Lease
7784	Vega Alta	PR	Lease
7752	Yauco	PR	Lease
4016	Greenville	SC	Lease
8846	Greenville	SC	Lease
8858	Ladson	SC	Lease
7616	Lexington	SC	Lease
7274	Mauldin	SC	Lease
4141	West Columbia	SC	Lease
7241	Bartlett	TN	Lease
1115	Chattanooga	TN	Lease
8037	Chattanooga	TN	Lease
2335	Clarksville	TN	Lease
2265	Johnson City	TN	Lease
7460	Knoxville	TN	Lease
8947	Knoxville	TN	Lease
9621	Lebanon	TN	Lease
8756	Memphis	TN	Lease
8206	Nashville	TN	Lease
1395	West Town	TN	Lease
1137	Austin	TX	Lease
1327	Baytown	TX	Lease

30954	Brownsville	TX	Lease
8870	Dallas	TX	Lease
1317	El Paso	TX	Lease
8021	El Paso	TX	Lease
8907	Garland	TX	Lease
8807	Grapevine	TX	Lease
2537	Harlingen	TX	Lease
4389	Mcallen	TX	Lease
7972	Mcallen	TX	Lease
1067	Memorial	TX	Lease
8922	Pflugersville	TX	Lease
1629	Pharr	TX	Lease
1097	San Antonio	TX	Lease
8747	San Antonio	TX	Lease
9507	San Antonio	TX	Lease
1127	Shepherd	TX	Lease
2077	Tyler	TX	Lease
2617	Victoria	TX	Lease
8948	Salt Lake Cty	UT	Lease
9794	St. George	UT	Lease
1888	West Jordan	UT	Lease
1284	Alexandria	VA	Lease
3471	Chesapeake	VA	Lease
8838	Chesapeake	VA	Lease
1274	Chesterfield	VA	GL
8823	Dulles	VA	Lease
1814	Fairfax	VA	Lease
1024	Falls Church	VA	Lease
2694	Fredericksburg	VA	Lease
2395	Manassas	VA	GL
8836	Richmond	VA	Lease

7415	Springfield	VA	Lease
3785	Tabb	VA	Lease
7717	Waynesboro	VA	Lease
7259	Williamsburg	VA	Lease
2784	Winchester	VA	Lease
7413	Frederiksted	VI	Lease
3972	St. Croix	VI	Lease
3829	St. Thomas	VI	Lease
7793	St. Thomas	VI	Lease
1463	Burlington	VT	GL
45061	Colchester	VT	Lease
3133	Bellingham	WA	Lease
2049	Everett	WA	Lease
8709	Kent	WA	Lease
8897	Kent	WA	Lease
2330	Puyallup	WA	Lease
36692	Seattle	WA	Lease
8004	Spokane	WA	Lease
9480	Spokane	WA	Lease
1139	Tukwila	WA	GL
2029	Union Gap	WA	GL
7034	Walla Walla	WA	Lease
8968	Janesville	WI	Lease
7648	Mauston	WI	Lease
8220	New Berlin	WI	Lease
3851	Racine	WI	Lease
7649	Ripon	WI	Lease
3750	Waupaca	WI	Lease
8782	Waupaca	WI	Lease
6375	Bridgeport	WV	Lease
4442	Charleston	WV	Lease

3484	Elkview	WV	Lease
3724	Scott Depot	WV	Lease
2304	Westover/Morgantown	WV	Lease
2341	Casper	WY	Lease
7139	Jackson	WY	Lease

Schedule 1.1(p)

Operating Owned Properties

<u>Store#</u>	<u>City</u>	<u>State</u>
8722	Anchorage(Sur)	AK
8106	Birmingham	AL
1136	Riverchase	AL
30957	Springdale	AR
68235	Phoenix	AZ
1588	Phoenix-Metro Ctr	AZ
2288	Antioch	CA
1598	City of Industry	CA
449	Delano	CA
4857	Desert Hot Springs	CA
8038	El Cajon	CA
1209	Long Beach	CA
1068	Palmdale	CA
3368	Redlands	CA
1788	Richmond	CA
8098	San Bernardino	CA
3968	Wasco	CA
2451	Greeley	CO
1271	Littleton/Denver	CO
1443	Manchester	CT
1853	Wilmington	DE
1255	Citrus Park	FL
1055	Coral Springs	FL
31930	Hialeah	FL
7435	Hialeah	FL
1635	Jacksonville	FL
4019	Melbourne	FL
1175	Merritt Island	FL
8292	Ocala	FL

1485	Orange Pk	FL
1285	Orlando-South	FL
1555	Sanford	FL
2135	Sebring	FL
8245	Seminole	FL
1015	Vero Beach	FL
2815	Albany	GA
2065	Brunswick	GA
8035	College Park	GA
3978	Peachtree City	GA
7705	Tamuning	GU
7439	Council Bluff	IA
61510	Calumet City	IL
26987	Chicago	IL
30920	Chicago	IL
61030	Chicago	IL
2632	Fairview Hts	IL
490	Hoffman Est	IL
30927	Macomb	IL
470	Manteno	IL
8289	Manteno	IL
30900	New Lenox	IL
31914	Round Lake Beach	IL
31900	Sterling	IL
26185	Clarksville	IN
61540	Indianapolis	IN
8171	Overland Park	KS
3433	Holyoke	MA
9255	Palmer	MA
1093	Springfield	MA
6303	Bangor	ME

2183	So Portland	ME
9385	Clio	MI
1100	Flint	MI
30918	Jackson	MI
1460	Livonia	MI
1590	Saginaw	MI
38480	Troy	MI
4206	Warren	MI
1032	Brooklyn Center	MN
2500	Duluth	MN
1121	Independence	MO
61106	Jackson	MS
30949	Natchez	MS
3213	Southaven	MS
2242	Billings	MT
30961	Greensboro	NC
30961	Greensboro	NC
1744	Ocean	NJ
2374	Vineland	NJ
6298	Sparks	NV
1353	De Witt/Syracuse	NY
4726	Jamestown	NY
1364	Lake Grove	NY
1514	Niagara Falls	NY
8254	Rochester	NY
26731	Dublin	OH
1370	Eastland	OH
2940	Franklin	OH
1610	Northgate	OH
8305	Warren	OH
1261	Midwest City	OK

1224	Harrisburg	PA
1863	Johnstown	PA
1293	Robinson Twp	PA
1354	Willow Grove	PA
9394	Fajardo	PR
3853	Guayama	PR
8935	Rio Piedras	PR
8975	Rio Piedras	PR
1795	Myrtle Beach	SC
30941	Sioux Falls	SD
1675	Knoxville East Town	TN
30934	Memphis	TN
26596	Memphis/Hickory	TN
1437	Arlington/Parks	TX
8247	Dickinson	TX
61237	Houston	TX
6874	Houston	TX
8137	Houston	TX
8167	Houston	TX
49027	Round Rock	TX
2332	San Antonio	TX
1023	Loudoun/Dulles	VA
26717	Newport News	VA
1974	Roanoke	VA
3544	Salem	VA
8345	Virginia Beach	VA
2299	Aberdeen	WA
3722	Burlington	WA
6579	Spokane	WA
3088	Kenosha	WI
2432	La Crosse	WI

2232	Madison-East	WI
8725	Vandenbroek	WI
1804	Barboursville	WV

Schedule 1.1(q)

Sparrow Properties

<u>Store #</u>	<u>City</u>	<u>State</u>
1228	Arden	CA
1281	Pueblo	CO
1831	Thornton	CO
1043	Meriden	CT
1263	Waterbury	CT
2845	Athens	GA
1035	Augusta	GA
1095	Douglasville	GA
1155	Kennesaw	GA
1565	Morrow(Southlake)	GA
8755	Tucker	GA
2760	Davenport	IA
1012	Des Moines	IA
1172	Bloomington	IL
1840	Chicago Ridge	IL
1321	Peoria	IL
2121	Peru	IL
2360	Quincy	IL
1570	Schaumburg	IL
1780	Springfield	IL
1820	West Dundee	IL
1600	Indianapolis	IN
1680	Indianapolis	IN
1650	Merrillville	IN
2290	Michigan City	IN
1800	Mishawaka	IN
1642	Topeka	KS
1730	Florence	KY
2087	Alexandria	LA

1086	Baton Rouge	LA
1147	Baton Rouge	LA
2677	Bossier City	LA
1116	Monroe	LA
1077	Shreveport	LA
1223	Brockton-Westgate	MA
1104	Marlborough	MA
1033	N Attleboro	MA
2934	Taunton	MA
1634	Baltimore-West	MD
1854	Parkville	MD
1074	Waldorf	MD
2040	Battle Creek	MI
1700	Dearborn	MI
1011	Grandville	MI
9693	Marine City	MI
1192	Muskegon	MI
1760	Novi	MI
1110	Portage	MI
1720	Sterling Hts	MI
2180	Traverse City	MI
1092	Westland	MI
8702	Minneapolis	MN
1822	Cape Girardeau	MO
1042	Joplin	MO
1171	Springfield	MO
1182	St Peters	MO
1222	St. Louis	MO
1306	Hattiesburg	MS
1166	Meridian	MS
1165	Concord	NC

2175	Greenville	NC
2515	Hickory	NC
1605	Raleigh	NC
1712	Grand Forks	ND
1022	Oakview	NE
1734	Lawrenceville	NJ
1614	Livingston	NJ
1554	Mays Landing	NJ
1314	New Brunswick	NJ
1764	Rockaway	NJ
1717	Albuquerque	NM
2010	Mansfield	OH
1710	No Olmsted	OH
2390	Springfield	OH
1051	Strongsville	OH
1120	Tuttle Crossing	OH
2305	Anderson	SC
1595	Greenville	SC
1545	Spartanburg	SC
1315	Chattanooga	TN
1307	Abilene	TX
1487	Austin	TX
1407	Beaumont	TX
2497	Brownsville	TX
2547	College Station	TX
1217	Corpus Christi	TX
2587	Denton	TX
1027	El Paso	TX
1317	El Paso	TX
1267	Fort Worth	TX
8217	Fort Worth	TX

8717	Houston	TX
1447	Hulen	TX
1417	Humble	TX
1297	Hurst	TX
2247	Laredo	TX
1187	Mesquite-Town East	TX
1176	Pasadena	TX
1427	Rolling Oaks	TX
8147	San Antonio	TX
2197	Texas City	TX
1377	Willowbrook	TX
1038	E Valley	WA
2219	Lacey/Olympia	WA
2309	Silverdale	WA
1029	Spokane	WA
1139	Tukwila	WA
2029	Union Gap	WA

Schedule 2.1(a)
Acquired Intellectual Property²

Schedule 2.1(a)(i) - Trademarks

1. See Annex 1, attached.

Schedule 2.1(a)(ii) – Business Names

1. See Annex 2, attached.

Schedule 2.1(a)(iii) - Patents

1. See Annex 3, attached.

Schedule 2.1(a)(iv) - Copyrights

1. See Annex 4, attached.

Schedule 2.1(a)(v) – Domain Names

1. See Annex 5, attached.

Schedule 2.1(a)(vi) – Media Accounts

Facebook

<https://www.facebook.com/sears>
<https://www.facebook.com/kmart>
<https://www.facebook.com/shopyourway/>
<https://www.facebook.com/searsauto/>
<https://www.facebook.com/SearsHomeServices>
<https://www.facebook.com/SearsPartsDirect>
<https://www.facebook.com/kenmore/>
<https://www.facebook.com/DieHard/>

Instagram

<https://www.instagram.com/kenmoreappliances/>
<https://www.instagram.com/sears/>

² **Note to Draft:** Each of the items of Intellectual Property in *each of the tabs* of Annex 1, Annex 2, Annex 3, Annex 4 and Annex 5 shall be included in the Acquired Intellectual Property.

<https://www.instagram.com/kmart/>
<https://www.instagram.com/shopyourway/>
<https://www.instagram.com/searsauto/>
<https://www.instagram.com/searsholdings/>

LinkedIn

<https://www.linkedin.com/company/sears-roebuck-and-co/>
<https://www.linkedin.com/company/kmart/>
<https://www.linkedin.com/company/shop-yourway/>
<https://www.linkedin.com/company/sears-auto-centers/>
<https://www.linkedin.com/company/sears-home-services/>
<https://www.linkedin.com/company/innovel-solutions/>
<https://www.linkedin.com/company/sears-holdings-corporation/>

Pinterest

<https://www.pinterest.com/Sears/>
<https://www.pinterest.com/Kmart/>
<https://www.pinterest.com/searshomeexpert/>
<https://www.pinterest.com/Kenmore/>

Twitter

<https://twitter.com/sears>
<https://twitter.com/kmart>
<https://twitter.com/ShopYourWay>
<https://twitter.com/SearsAuto>
<https://twitter.com/SearsHomeExpert>
<https://twitter.com/partsdirect>
<https://twitter.com/SearsHoldings>
<https://twitter.com/SearsOutlet>
<https://twitter.com/SearsCares>
<https://twitter.com/KmartCares>
<https://twitter.com/SearsDeals>
<https://twitter.com/KmartDeals>
<https://twitter.com/kenmore>
<https://twitter.com/DieHardBattery>

YouTube

<https://www.youtube.com/user/Sears>
<https://www.youtube.com/user/Kmart>
<https://www.youtube.com/user/shopyourway>
<https://www.youtube.com/user/SearsAuto>

<https://www.youtube.com/user/SearsHomeService>
<https://www.youtube.com/channel/UCyneGks78mAm0QCLMPTmAaA>
<https://www.youtube.com/user/SearsHoldingsVideo>
<https://www.youtube.com/user/Kenmore>
<https://www.youtube.com/user/diehard>

All social media handles and other social media identifiers for the foregoing social media accounts (e.g., @Sears) are hereby incorporated.

Schedule 2.1(q)

Proceeds Properties

**INSURED: Sears Holdings
Corporation**

POLICY TERM: 6/1/17 - 6/1/18

DOL: 9-20-2017

Loss: Hurricane Maria, CAT 1745

VERICLAIM FILE NO.:

CHI17212330

Market	Claim Number	Market %
AWAC BDA	P003839/014-001	13.33%
AWAC BDA	P003839/014-001	5.00%
Swiss Re - Westport Ins	20171206974	8.00%
HDI	01-837-02583-17-4	2.50%
Aspen	PX1770028710	1.67%
Lex London	8923459439US	8.50%
Starr	STP8920	5.00%
Liberty	991898300	4.00%
Zurich	5630011962	10.00%
Tokio Marine	PR0000128103	4.00%
Chubb	KY17K22945X	12.00%
Ironshore	PRP00066862	2.50%
Novae BDA	B10114017ADFRTAA	3.00%
Ascot Syn 1414 (Lloyds)	PTNAM1701559	8.00%
MSP Syn 318 (Lloyds)	PTNAM1701562	7.50%
Markel Syn 3000 (Lloyds)	PTNAM1701122	3.00%
(Endurance Syn 5151 Lloyds)	10130927	1.20%
Endurance	10130927	0.80%
Total		100.00%

Schedule 2.7(a)

Potential Transferred Agreements

[To be provided by Sellers within 5 Business Days of signing.]

Schedule 6.1

Organization and Good Standing

1. None.

Schedule 6.2

Authority; Validity; Consents

1. Approval of the Bermuda Monetary Authority is required for Sears Reinsurance Company, Ltd. to be able to provide its consent.
2. Sears Protection Company Florida may require approval from the Florida Insurance Company Agency.
3. Any approval required under or related to the transfer of the Acquired Foreign Assets or the equity in any Foreign Subsidiary.
4. Any approval required from any Governmental Authority under the following contracts:
 - a. Ecom – Illinois Department of Commerce and Economic Opportunity – Edge Tax Credit Agreement, dated as of October 26, 2012, by and between Sears Holdings Management Corporation and Illinois Department of Commerce and Economic Opportunity.
 - b. Sears Commercial – Michigan State University – 1855 Place-Sales Order, by and between Sears, Roebuck and Co. and Michigan State University.
 - c. Sears Commercial – Michigan State University – B2 & C2 Contract Rider, by and between Sears, Roebuck and Co. and Michigan State University.
 - d. Sears Commercial – Michigan State University – D1 & D2 Sales Order, by and between Sears, Roebuck and Co. and Michigan State University.
 - e. Sears Commercial – Michigan State University – 1855 Place Phase II B1 & C1 – Sales Order, by and between Sears, Roebuck and Co. and Michigan State University.
 - f. Sears Commercial – Michigan State University – A Bldg. – Sales Order, by and between Sears, Roebuck and Co. and Michigan State University.
 - g. Request for Proposals, by and between Innovel Solutions, Inc. and Navy Exchange Service Command, as amended.
 - h. Request for Proposals, by and between Sears Holdings Corporation and Navy Exchange Service Command, as amended.
 - i. Request for Proposals, by and between Sears Holdings Management Corporation and Navy Exchange Service Command, as amended.
 - j. Use and Dissemination Agreement, dated as of July 19, 2018, by and between Sears Holdings Management Corporation and New York State Division of Criminal Justice Services.
 - k. Master Lease, by and between Sears Holdings Management Corporation and Ohio Teachers Retirement.
 - l. Sales Order, by and between Sears, Roebuck and Co. and Portland Community Housing.
 - m. Agreement, by and between Sears, Roebuck and Co. and State of Illinois, Department of Transportation.
 - n. Offshore Department of Economic Development and Commerce Weatherization Assistance Program and Liheap Weatherization Assistance Program, by and between Sears, Roebuck de Puerto Rico and State Office of Energy Policy of Puerto Rico.
 - o. Sales Order, by and between Sears, Roebuck and Co. and The University of Mexico.

- p. Services Agreement, dated as of August 8, 2020, by and between Sears Holdings Management Corporation and United States Postal Service.
- q. 2016 Sears Naming Rights Agreement, by and between Sears, Roebuck and Co. and Village of Hoffman Estates.
- r. 2016 Sears Naming Rights Agreement, dated as of April 27, 2016, by and between Sears, Roebuck and Co. and Village of Hoffman Estates.
- s. Renewal Application for Lottery Retailer's License, dated as of June 22, 2016, by and between Kmart Corporation and Arizona Lottery, as amended.
- t. Arkansas Scholarship Lottery Retailer Contract, dated as of February 8, 2016, by and between Kmart Corporation and Office of the Arkansas Lottery, as amended.
- u. Delaware State Lottery Retailer Agreement, dated as of October 1, 2010, by and between Kmart Corporation and Delaware State Lottery.
- v. Retailer Contract, dated as of March 21, 2016, by and between Kmart Corporation and Florida Lottery.
- w. Retailer Contract, dated as of December 28, 1994, by and between Kmart Corporation and Georgia Lottery Corporation.
- x. Idaho Lottery Retailer Contract, dated as of November 19, 2012, by and between Kmart Corporation and Idaho State Lottery.
- y. Retailer Agreement for the Sale of Lottery Products, dated as of September 30, 2013, by and between Kmart Corporation and State Lottery Commission of Indiana.
- z. Kansas Lottery – Retailer All Games Contract, dated as of September 10, 2013, by and between Kmart Corporation and Kansas Lottery, as amended.
- aa. Kentucky Lottery Retailer License Agreement, dated as of May 19, 2017, by and between Kmart Corporation and Kentucky Lottery Corporation.
- bb. Maine State Lottery Application to Sell Lottery Tickets, dated as of June 15, 2012, by and between Kmart Corporation and Maine State Lottery, as amended.
- cc. [Retailer Lottery License], dated as of June 12, 2017, by and between Kmart Corporation and State of Michigan – Bureau of State Lottery.
- dd. Minnesota State Lottery Retailer Contract for Chain Accounts, dated as of November 15, 2016, by and between Kmart Corporation and Minnesota State Lottery.
- ee. Missouri Lottery Contract Agreement, dated as of November 7, 2016, by and between Kmart Corporation and Missouri Lottery.
- ff. Master Corporate Conditions of Licensing, dated as of December 11, 2013, by and between Kmart Corporation and Montana Lottery.
- gg. New Mexico Lottery Retailer Contract, dated as of June 12, 2015, by and between Kmart Corporation and New Mexico Lottery Authority, as amended.
- hh. New York Lottery Retailer License Agreement, dated as of September 12, 2016, by and between Kmart Operations, LLC and New York State Division of the Lottery.
- ii. North Carolina Education Lottery Retailer Agreement, dated as of May 7, 2008, by and between Kmart Corporation and North Carolina Education Lottery, as amended.

- jj. Retailer Contract, dated as of December 18, 2003, by and between Kmart Corporation and Tennessee Lottery Corporation.
 - kk. Virginia Lottery Retailer Contract, dated as of March 7, 2000, by and between Kmart Corporation and Lottery Commonwealth of Virginia – State Lottery Department.
 - ll. Lottery Retailer Contract Terms and Conditions – Renewal Application, dated as of December 27, 2016, by and between Kmart Corporation and Wisconsin Department of Revenue – Lottery Division.
 - mm. Nondisclosure Agreement, dated as of August 23, 2017, by and between Sears Holding Management Corporation and United States Postal Service, as amended.
 - nn. 2016 Sears Naming Rights Agreement, dated as of May 9, 2016, by and between Sears, Roebuck and Co. and Village of Hoffman Estates.
 - oo. Use & Dissemination Agreement, dated as of August 31, 2018, by and between NYS Division of Criminal Justice Services and Sears Holdings.
 - pp. Edge Tax Credit Agreement, dated as of October 26, 2012, by and between the State of Illinois, acting by and through its Department of Commerce and Economic Opportunity, and Sears Holdings Management Corporation.
-
- 5. Collective Bargaining Agreement between Sears, Roebuck and Co. Detroit, MI and Teamsters Local Union No. 243 (Livonia, MI) requires that prior to the conclusion of any sale, conveyance, assignment, or transfer of operations the Employer provide the Union sixty (60) days advance written notice.
 - 6. Collective Bargaining Agree between Sears, Roebuck and Co. and Teamsters Local Union No. 243 (Detroit, MI) requires that prior to the conclusion of any sale, transaction, conveyance, assignment, or transfer of operations the Employer provide the Union thirty (30) days advance written notice.
 - 7. Superpriority Junior Lien Secured Debtor-in-Possession Credit Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the several banks, financial institutions or entities from time to time party thereto as term lenders, and Cantor Fitzgerald Securities, as administrative agent.
 - 8. Debtor-in-Possession Guarantee and Collateral Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck and Co., Sears Roebuck Acceptance Corp., Kmart Holding Corporation, Kmart Corporation and Cantor Fitzgerald Securities, as collateral agent.
 - 9. Superpriority Senior Secured Debtor-in-Possession Asset-Based Credit Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the banks, financial institutions and other institutional lenders party thereto as revolving lenders or term lenders, Bank of America, N.A., as administrative agent, Wells Fargo Bank, National Association, as co-collateral agent and syndication agent, Citigroup Global Markets Inc. as documentation agent, Merrill Lynch, Pierce, Fenner & Smith Incorporation, Citibank, N.A. and Wells Fargo Bank, National Association, as joint lead arrangers and bookrunners.
 - 10. Debtor-in-Possession Guarantee and Collateral Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck and Co., Sears Roebuck Acceptance Corp.,

Kmart Holding Corporation, Kmart Corporation, and Bank of America, N.A. and Wells Fargo Bank, National Association, as co-collateral agents.

11. Term Loan Credit Agreement, dated January 4, 2018, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, each of Sears Holdings Corporation's other direct or indirect domestic subsidiaries that is or otherwise becomes party thereto, and JPP, LLC, as collateral agent.
12. Intellectual Property Security Agreement, dated January 4, 2018, by and between Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, and each of Sears Holdings Corporations other direct or indirect domestic subsidiaries that is or otherwise becomes party thereto, and JPP, LLC, as collateral agent.
13. Certain permits may require consent for transfer to the Buyer, including, but not limited to, liquor licenses, pharmacy licenses, business licenses, contractor licenses, food retail licenses and service contract registrations.

Schedule 6.3

No Conflict

Schedule 6.3(c)

1. Limited Liability Company Agreement of SHC Desert Springs LLC, dated as of February 29, 2008, by Kmart Corporation, as the Member, and Sears, Roebuck and Co., as a Springing Member.
2. Limited Liability Company Operating Agreement of KCD IP, LLC, dated as of May 18, 2006, by Sears Brands, LLC, as the Member.
3. Limited Liability Company Agreement of SRC Sparrow 1 LLC, dated as of March 14, 2018, by Sears, Roebuck and Co., as the Member.
4. Limited Liability Company Agreement of SRC Sparrow 2 LLC, dated as of March 14, 2018, by SRC Sparrow 1 LLC, as the Member, Jennifer A. Schwartz, as Springing Member 1, and Ricardo Beausoleil, as Springing Member 2.
5. Limited Liability Company Agreement of SRC O.P. LLC, dated as of March 14, 2018, by SRC Sparrow 2 LLC, as the Member, Jennifer A. Schwartz, as Springing Member 1, and Ricardo Beausoleil, as Springing Member 2.
6. Limited Liability Company Agreement of SRC Facilities LLC, dated as of March 14, 2018, by SRC O.P. LLC, as the Member, Jennifer A. Schwartz, as Springing Member 1, and Ricardo Beausoleil, as Springing Member 2.
7. Limited Liability Company Agreement of SRC Real Estate (TX), LLC, dated as of March 14, 2018, by SRC Facilities LLC, as the Member, Jennifer A. Schwartz, as Springing Member 1, and Ricardo Beausoleil, as Springing Member 2.
8. Any approval required under the organizational documents of any non-U.S. Seller.
9. Certain permits may require consent for transfer to the Buyer, including, but not limited to, liquor licenses, pharmacy licenses, business licenses, contractor licenses, food retail licenses and service contract registrations.

Schedule 6.4

Environmental Matters

1. On November 7, 2018, SRC Facilities received a notice of violation of hazardous waste storage and handling requirements from the County of Sacramento concerning the location at 1601 Arden Way, Sacramento, CA.
2. On November 1, 2018, Kmart Corporation received a notice of violation of flammable liquid storage requirements from the Western Lakes Fire District concerning the location at 1450 Summit Ave., Oconomowoc, WI.
3. On October 18, 2018, Innovel Solutions Inc. received a notice of violation related to late annual stormwater reporting from the Santa Ana Regional Water Quality Control Board concerning the location at 5691 E. Philadelphia St., Ontario, CA.
4. Seller or a subsidiary has reported releases at the following locations and currently is undertaking investigation, remediation or monitoring or is otherwise awaiting agency feedback on a submitted report:

Unit	City	State	Unit Type	Project	Regulator
6418	Jacksonville	NC	Sears Roebuck and Co	Remedial action	NCDEQ
1300	Oakbrook	IL	Sears Operations LLC	Remedial action	IEPA
1365	Miami/Cutler Rdg	FL	Sears Operations LLC	Remedial action	DERM
1045	Durham-Northgate	NC	Sears Roebuck and Co	Remedial action	NCDEQ
1053	Saugus	MA	Sears Operations LLC	Remedial action	MADEP
1345	Hialeah/Weistland	FL	Sears Operations LLC	Remedial action	FDEP
1125	Coral Gables	FL	Sears Roebuck and Co	Groundwater sampling - annual	DERM
1248	Hayward	CA	Sears Roebuck and Co	Groundwater sampling - annual	San Francisco Bay Regional Water Quality Control Board

6636	Key West	FL	Sears Roebuck and Co	Groundwater sampling - annual	FDEP
6218	Aiea Oahu	HI	Sears Roebuck and Co	Hydraulic Lifts	Hawaii Department of Health
1195	Ft Lauderdale	FL	Sears Roebuck and Co	Used Oil	FDEP
6854	Hackensack	NJ	Sears Roebuck and Co	Heating Oil	NJDEP
1570	Schaumburg	IL	SRC Facilities LLC	Gasoline	IEPA
8975	Rio Piedras	PR	Sears Roebuck De Puerto Rico, Inc	Used Oil	Puerto Rico Environmental Quality Board
475	Jacksonville	FL	Innovel Solutions, Inc	Mixed	FDEP
8137	Houston	TX	Sears Roebuck and Co	Gasoline	TCEQ PST Division
3127	Temecula	CA	Kmart	Remedial action	
425	Jacksonville	FL	Sears Roebuck and Co	Gasoline	FDEP
1205	Pompano Beach	FL	Sears Roebuck and Co	Gasoline Hydraulic lifts	
3380	Waterville	ME	Kmart	Remedial action	
1328	Las Vegas	NV	Sears Roebuck and Co	Gasoline	
2065	Brunswick	GA	Sears Roebuck and Co	Remedial action	
1100	Flint	MI	Sears Roebuck and Co	Remedial action	
1106	Jackson	MI	Sears Roebuck and Co	Remedial action	
2374	Vineland	NJ	Sears Roebuck and Co	Gasoline	
1610	Northgate	OH	Sears Roebuck and Co	Gasoline	
8137	Houston	TX	Sears Roebuck and Co	Gasoline	
1077	Shreveport	LA	Sears Roebuck and Co	Gasoline	
2040	Battle Creek	MI	Sears Roebuck and Co		

Schedule 6.5

Title to Acquired Assets

1. Schedule 1.1(j) is incorporated herein by reference.
2. The following mechanic's liens have been alleged or asserted against the Potential Acquired Assets:

RE ID	ST	Name	Address	Detail	Lien Claim Amt
108800	CA	Glendale	236 N Central Ave	Northstar Recovery Services, Lien	\$130,158.00
384200	CA	Oakdale	175 Maag Avenue	Northstar Recovery Services, Lien	\$7,802.56
110800	CA	Temecula	40710 Winchester Rd	ICE Builders, Lien	\$130,158.00
472500	FL	Key West	2928 North Roosevelt Blvd	Simon Roofing & Sheet Metal Corp. lien	\$26,558.15
130000	IL	Oakbrook	2 Oakbrook Ctr	NetRelevance Lien \$228,939.15 Continental Electrical Construction Lien \$55,547.00; CRB Commercial Interiors, Inc. \$115,934.25; NIR Roof Care, Inc. Lien \$29,210.00	\$429,630.40
305900	MN	St. Paul	245 E Maryland Ave	Northland Mechanical Contractors, Lien	\$9,918.90
275500	NC	Jacksonville	344 Jacksonville Mall	Northstar Recovery Services, Lien	\$29,682.98
143400	NJ	Wayne	50 Route 46	Schindler Elevator Corp. Lien	\$56,866.00
166800	NV	Las Vegas (Meadows)	4000 Meadow Ln	ICE Builders, Lien for \$847,301.01; Gray ICE Builders, Lien for \$7,098.88; Construction Group International, Lien for \$26,466.00; Holm Electric LV LLC, Lien for \$76,217.45	\$957,083.34
399300	PR	Juana Diaz	State Rd 149&State Rd 584	Retail Contractors of Puerto Rico; Juana Diaz, PR - Hurricane repairs; letter ceasing work until we renegotiate terms. Letter sent by	0

RE ID	ST	Name	Address	Detail	Lien Claim Amt
				Michael Doron, PE - Dir. of Construction ³	
157000	IL	Schaumburg	2 Woodfield Mall	Northstar Recovery Services, Lien	\$34,493.96
472600	NY	Jamestown	975 Fairmount Ave	Guy Roofing Inc, Lien	\$27,670.00
179500	SC	Myrtle Beach	1200 Coastal Grand Circle	Guy Roofing Inc, Lien	\$25,440
224700	TX	Laredo	5300 San Dario Ave	The Brandt Companies, Lien	\$10,738.50
45113	IA	Des Moines	1605 NE 58 th Ave	Northstar Recovery Services, Lien	\$52,458.71
1052	MN	St. Paul		Northland Mechanical Contractor's Lien	\$2,237.00
1112	MN	Minnetonka		Northland Mechanical Contractor's Lien	\$5,373.81
1137	TX	Austin		Northstar Recovery Services	\$10,616.98
1484	PA	Reading		NetRelevance Mechanics Lien	\$1,268.40
1668	NV	Las Vegas (Meadows)		Ice Builder's Mechanic's Lien	\$847,301.01
1668	NV	Las Vegas (Meadows)		Grey Ice Builders	\$7,098.88
1668	NV	Las Vegas (Meadows)		Construction Grp Int'l	\$26,466.00
1668	NV	Las Vegas (Meadows)		Holm Electric LV LLC	\$76,217.45

³ Amount of claim not provided.

RE ID	ST	Name	Address	Detail	Lien Claim Amt
1668	NV	Las Vegas (Meadows)		Ice Builders	\$22,500.00
1944	NY	Yorktown Hts		NetRelevance Mechanics Lien	\$97,640.51
1944	NY	Yorktown Hts		Healy Electric Contracting	\$107,471.10
1944	NY	Yorktown Hts		Sun industrial Inc./Peter Gisondi & Co. Inc.	\$44,073.93
2147	TX	Irving		Northstar Recovery Services Mechanics Lien	\$15,307.69
2147	TX	Irving		The Brandt Companies, LLC	\$11,899.00
2605	PA	State College		NetRelevance Mechanics Lien	\$996.40
470	IL	Manteno		N.L.M.S., Inc. Mechanics Lien (Manteno Property A: #440 and #470)	\$154,376.10
1032	MN	Brooklyn Center		Northland Mechanical Contractor's Lien	\$5,372.81
1634	FL	Jacksonville		Northstar Recovery Services	\$14,444.15
1634	FL	Jacksonville		Northstar Recovery Services	\$52,658.79
2451	CO	Greely		Northstar Recovery Services	\$90,409.99
2451	CO	Greely		Exteriors By Design Inc.	\$244,475.65

Schedule 6.6

Real Property

Schedule 6.6(a)

1. Schedule 6.5 is incorporated herein by reference.
2. The following is a list of tenancies applicable to the Owned Real Property:

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
490	Hoffman Estates	IL	Board of Trustees of Northern Illinois University (d/b/a Niu Parking)	N/A	2016	6/30/2020
490	Hoffman Estates	IL	Sprintcom Inc. (DBA "Sprint")		2000	11/7/2018*
490	Hoffman Estates	IL	Kum Cha Truscott (DBA "Evergreen Cleaners")	626	2003	11/30/2018 *
490	Hoffman Estates	IL	Sears Auto Center (Atrium)	656	2007	MTM
490	Hoffman Estates	IL	Hairstylist Management Systems, Inc	983	2009	MTM
490	Hoffman Estates	IL	International Business Machines Corporation	210	1999	12/31/2019
490	Hoffman Estates	IL	Sedgwick Claims Management Services, Inc.	23,350	2009	7/31/2021
490	Hoffman Estates	IL	Hoffman Estates Latus, LLC (DBA "Sbarro")	1,000	2011	11/30/2021
490	Hoffman Estates	IL	Panda Express, Inc.	1,000	2011	7/24/2021
490	Hoffman Estates	IL	Sears Hometown & Outlet Stores, Inc.	35,942	2012	10/31/2022
490	Hoffman Estates	IL	The Salvation Army		2013	6/30/2099
490	Hoffman Estates	IL	RH Tax and Financial Services d/b/a "Jackson Hewitt"	366	2015	8/31/2020
490	Hoffman Estates	IL	Sears Hometown & Outlet Stores, Inc.	5,017	2016	MTM
490	Hoffman Estates	IL	Squadhelp, Inc. (DBA "Leapmatrix Inc.")	365	2016	12/31/2018 *
490	Hoffman Estates	IL	David L. Templer Insurance Agency, LLC	462	2008	9/30/2020
490	Hoffman Estates	IL	Bright Horizon's	19,500	2017	8/31/2022

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
490	Hoffman Estates	IL	Fifth Third Bank		2017	12/31/2020
490	Hoffman Estates	IL	(DBA "ST Messaging Services (formerly Skytel)")			MTM
490	Hoffman Estates	IL	T-Mobile	N/A	3/1/2016	1/31/2021
1011	Grandville	MI	Lands' End, Inc.	4,621	2014	1/31/2020
1023	Dulles/ Loudoun County	VA	Lands' End, Inc.	9,535	2014	1/31/2019
1029	Spokane	WA	Price Spokane Limited Partnership		1999	9/26/2040
1029	Spokane	WA	Lands' End, Inc.	6,049	2014	1/31/2019
1033	North Attleboro	MA	Lands' End, Inc.	7,609	2014	1/31/2019
1068	Palmdale	CA	Antelope Valley Mall Developers	983,699	1989	12/31/2059
1068	Palmdale	CA	Metro Floors Inc.	18,000	1996	10/31/2022
1074	Waldorf/St Charles	MD	Lands' End, Inc.	8,771	2014	1/31/2020
1075	Daytona Beach	FL	Volusia Mall LLC (Developer)		2001	12/31/2018 *
1110	Portage	MI	Lands' End, Inc.	5,178	2014	1/31/2020
1120	Columbus	OH	Lands' End, Inc.	8,374	2014	1/31/2020
1136	Hoover (Birmingham)	AL	Lands' End, Inc.	4,215	2014	1/31/2020
1155	Kennesaw	GA	Lands' End, Inc.	8,086	2014	1/31/2019
1171	Springfield	MO	Lands' End, Inc.	4,748	2014	1/31/2020
1182	St Peters	MO	Lands' End, Inc.	8,004	2014	1/31/2019
1187	Mesquite	TX	Boot Barn (FKA Sheplers, Inc.)		1981	7/31/2020
1192	Muskegon	MI	Lands' End, Inc.	4,261	2014	1/31/2020

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
1224	Harrisburg	PA	Penrac, LLC (DBA "Enterprise Rent-A-Car")	29 Parking Spaces	2007	4/30/2022
1224	Harrisburg	PA	Rare Hospitality International, Inc. c/o Darden Restaurants Inc. (DBA "Longhorn Steakhouse")	14,132	2012	4/30/2024
1224	Harrisburg	PA	Lands' End, Inc.	7,435	2014	1/31/2019
1268 ⁴	Buena Park	CA	Newkoa, LLC	542 Parking Spaces	1980	9/30/2049
1268	Buena Park	CA	Newkoa, LLC		2013	9/30/2019
1271	Littleton	CO	Lands' End, Inc.	5,885	2014	1/31/2020
1278 ⁵	Torrance	CA	Fourth Searsvale Properties Inc		1979	
1278	Torrance	CA	Del Amo Mills LP	87,800	1980	6/30/2049
1278	Torrance	CA	First States Investors Realty LLC	35,000	1983	6/30/2019
1278	Torrance	CA	Lands' End, Inc.	7,489	2014	1/31/2020
1285	Orlando-South	FL	Promenade II (DBA "Florida Mall Hotel")		2011	10/31/2022
1297	Hurst	TX	Simon Property Group (Texas) LP	1.788 acres	1999	8/2/2038
1297	Hurst	TX	Chesapeake Exploration LLC	10.875 acres	2011	5/10/2038
1314	New Brunswick	NJ	OTB Acquisitions	1.56 acres	1996	2/28/2023
1314	New Brunswick	NJ	HOP New Brunswick (DBA "Houlihan's")		2002	11/30/2023
1314	New Brunswick	NJ	Lands' End, Inc.	7,107	2014	1/31/2020
1314	New Brunswick	NJ	Cellco Partnership (DBA "Verizon Wireless")	13	2014	1/31/2020
1354	Willow Grove	PA	Lands' End, Inc.	8,635	2014	1/31/2019

⁴ Owned/Lease

⁵ Owned/Ground Lease

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
1354	Willow Grove	PA	Primark Us Corp.	77,615	2014	10/30/2024
1364	Lake Grove	NY	Lands' End, Inc.	7,133	2014	1/31/2019
1407	Beaumont	TX	Parkdale Mall			
1443	Manchester	CT	Lands' End, Inc.	6,482	2014	1/31/2019
1447	Hulen	TX	Xto Energy Inc	14.11 acres	2008	10/22/2050
1447	Ft Worth	TX	Lands' End, Inc.	4,387	2014	1/31/2019
1460	Livonia	MI	Lands' End, Inc.	5,116	2014	1/31/2020
1475	Durham	NC	Lands' End, Inc.	7,596	2014	1/31/2020
1570	Schaumburg	IL	Namco entertainment Inc. (DBA "Level 257")	41,960	2013	2/28/2025
1570	Schaumburg	IL	Lands' End, Inc.	6,552	2014	1/31/2020
1590	Saginaw	MI	Central Florida Restaurants Inc	86,876	2001	11/30/2021
1595	Greenville	SC	Forever 21Retail, Inc. (Winter 2014)	15,481	2012	8/31/2023
1595	Greenville	SC	Lands' End, Inc.	5,742	2014	1/31/2019
1605	Raleigh	NC	Lands' End, Inc.	7,204	2014	1/31/2019
1614	Livingston	NJ	Lands' End, Inc.	8,270	2014	1/31/2019
1634	Baltimore	MD	Security Square Associates		1997	9/30/2022
1650	Merrillville	IN	Gary Joint Venture		1987	9/17/2039
1710	North Olmsted	OH	Steak and Ale of OH, Inc.			
1710	North Olmsted	OH	George Group-Great Northern Ltd (DBA "Harry Buffalo Restaurant & Lounge")	6,342	2009	8/31/2019
1710	North Olmsted	OH	Star-West Great Northern Mall LLC		2013	11/30/2023
1710	North Olmsted	OH	Lands' End, Inc.	8,789	2014	1/31/2020

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
1760	Novi	MI	Lands' End, Inc.	8,769	2014	1/31/2019
1764	Rockaway	NJ	Raymours Furniture Company, Inc	38,678	2015	8/31/2026
1800	Mishawaka	IN	Lands' End, Inc.	5,927	2014	1/31/2020
1804	Barboursville	WV	Lands' End, Inc.	8,441	2014	1/31/2019
1853	Wilmington	DE	Lands' End, Inc.	8,415	2014	1/31/2019
1854	Parkville	MD	Lands' End, Inc.	7,928	2014	1/31/2020
1974	Roanoke	VA	Cheddars Casual Café	20,447	2010	10/31/2020
2092	Appleton	WI	Lands' End, Inc.	5,792	2014	1/31/2020
2183	S Portland	ME	Maine Mall		1982	
2183	S Portland	ME	OTB Acquisition LLC (DBA "On the Border #146")	6,585	1999	11/30/2019
2183	So Portland	ME	Lands' End, Inc.	5,564	2014	1/31/2019
2191	Lincoln	NE	Bair / Superior Pointe?	See docs	See docs	See docs
2191	Lincoln	NE	McDonald's Corporation		1981	8/4/2081
2191	Lincoln	NE	A.T. Thomas Jewelers	5,000	2005	6/30/2025
2191	Lincoln	NE	GMRI, Inc.	2.01 acres	2012	10/31/2022
2309	Silverdale	WA	Kitsap Mall, LLC	1.75 acres	1984	8/7/2024
2309	Silverdale	WA	Lands' End, Inc.	4,226	2014	1/31/2019
2497	Brownsville	TX	CBL & Associates Management Inc	119,790	2000	
3088	Kenosha	WI	Albor Restaurant Group, LLC (DBA "Taco Bell")	2,646	1994	4/30/2031
3088	Kenosha	WI	Dollar Tree Stores, Inc #3811	10,520	2002	5/31/2018*
3088	Kenosha	WI	Limitless PCS, Inc. (DBA "Metro PCS")	1,600	2015	3/3/2020
3433	Holyoke	MA	D'Angelo's Restaurant	1,800	1983	6/30/2024

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3433	Holyoke	MA	Taco Bell	2,850	2010	11/30/2030
3433	Holyoke	MA	Sears Outlet Stores, LLC	18,012	2012	12/31/2018 *
3699	Apple Valley	CA	Blessing Nails	800	1994	12/31/2021
3699	Apple Valley	CA	Mina Patel d/b/a Smoke 4 Less	800	2007	10/31/2021
3699	Apple Valley	CA	Ye Old Tyme Barber Shoppe	1,000	2006	9/30/2022
3722	Burlington	WA	Payless Shoe Source, Inc. #653	3,600	1989	6/30/2020
3722	Burlington	WA	Phan Thuy Anh & Nguyen Vu Tan (DBA "Hi-Tek")	1,200	2008	6/30/2021
3722	Burlington	WA	Rent-A-Center West, Inc.	1,720	2011	3/31/2021
3722	Burlington	WA	PACIFIC NW PROPERTIES I	3,600	2016	1/31/2099
4857	Desert Hot Springs	CA	Yucaipa Trading Co., Inc. (DBA "Rio Ranch Market")	27,917	2017	1/31/2027
6298	Sparks	NV	Sears Outlet Stores, LLC	20,098	2012	12/31/2022
8702	Minneapolis	MN	Rail Way Restoration Inc	10,500	2003	8/31/2019
8702	Minneapolis	MN	Oopegard Vending	835	2007	4/30/2019
8702	Minneapolis	MN	Sears Home Improvement Products, Inc. (Embedded)	15,300		
8717	Houston	TX	Holliday Door & Gate, LLC	12,000	2003	2/28/2019
8717	Houston	TX	Sears Outlet Stores, LLC	82,593	2012	12/31/2022
8755	Tucker	GA	Sears Outlet Stores, LLC	133,404	2012	12/31/2022
8975	Rio Piedras	PR	Sears Outlet Stores, LLC	36,472	2012	12/31/2022
9255	Palmer	MA	Gil's Gym and Racquet Health Club LLC	18,512	2006	11/30/2018 *
9394	Fajardo	PR	AutoZone Puerto Rico, Inc.	10,530	2013	1/31/2024
1310	Elyria	OH	Red Lobster	59,300		8/31/2027
1610	Cincinnati Northgate	OH	Lands' End, Inc.	5,933		1/31/2019

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3544	Salem (Store Closing)	VA	West Main Hair Salon	1,120		1/31/2019
3544	Salem (Store Closing)	VA	Sally Beauty Company, Inc.	1,600		11/30/2020
3544	Salem (Store Closing)	VA	Ups Store	1,600		9/30/2018*
3544	Salem (Store Closing)	VA	Chick-Fil-A Inc	33,799		4/30/2022
4395	Cudahy	WI	Sears Outlet Stores, LLC	21,070		12/31/2020
8245	St. Petersburg	FL	Sears Outlet Stores, LLC	58,617		9/30/2022
8254	Rochester	NY	Sears Home Improvement Products, Inc. (Embedded)	500		
8345	Virginia Beach	VA	Sears Home Improvement Products, Inc. (Embedded)	1,500		
8935	Rio Piedras	PR	Sears Home Improvement Products, Inc. (Embedded)	4,813		
26185	Clarksville	IN	Peddlers Mall	108,813		12/31/2019
26731	Dublin	OH	AT&T	2,435		3/31/2028
26731	Dublin	OH	Sport Clips	1,200		4/30/2028
26731	Dublin	OH	Starbucks	2,050		1/31/2029
26731	Dublin	OH	Zoup!	2,100		12/31/2028
30934	N Memphis	TN	First Tennessee Bank	4,338		1/31/2022
30961	Grensboro	NC	National Distribution Centers, LLC	1,546,815		1/31/2022
61540	Indianapolis	IN	Cinema Veterans LLC – Keep For Tax Tracking Purpose	236,190		
1012	Des Moines	IA	ABELL CREDIT CORPORATION			11/5/28
1012	Des Moines	IA	LAMAR COMPANY LLC	300		11/5/28
1077	Shreveport	LA	Mall St Vincent LP			12/31/24
1730	Florence	KY	Lands' End, Inc.	6,338		1/31/19

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2290	Michigan City	IN	First Source Bank	40,950		12/31/22
2934	Taunton	MA	Silver City Galleria			10/31/55
8217	Ft. Worth	TX	Sears Home Improvement Products, Inc. (Embedded)	3,500		

*Recently Expired

3. The leases for the foregoing tenancies have been provided in the data rooms operated by the Company on the Intralinks platform.

4. The following is a list of licenses applicable to the Owned Real Property or Lease Premises

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
1206	North Little Rock	AR	Sears FLS		Universal Vending, Avis/Budget Car Rental
49028	Tempe	AZ	Call Center		Universal Vending
49011	Tucson	AZ	Call Center		Universal Vending
1768	Paradise Vly	AZ	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
1798	Glendale	AZ	Sears FLS		Luxottica Optical, Picture People Portrait, Universal Vending
2218	Prescott	AZ	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental
4996	Tucson	AZ	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Distributech
8253	McClellan	CA	RTG CTR		Universal Vending
8258	Lakewood	CA	RSVC		Universal Vending
8369	Santa Ana	CA	RSVC		Universal Vending removed 1/31/18
3531	Pinole	CA	Kmart		Western Union, Cardtronics ATM, Lottery, Universal Vending, KeyMe, Dacra Glass
7165	Camarillo	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe
3834	Burbank	CA	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, KeyMe, Coinstar
2138	Santa Barbara	CA	Sears FLS	1/20/2019	Universal Vending
31882	San Diego	CA	Kmart	x/x/xx	Kmart 4290 closed
1868	Moreno Vly	CA	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental
1968	Palm Desert	CA	Sears FLS		Luxottica Optical, Universal Vending
1148	Ventura	CA	Sears FLS		Repair & Wear Watch Repair, Universal Vending
1189	West Covina	CA	Sears FLS		Luxottica Optical, Universal Vending
3501	Paradise	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending
3235	West Covina	CA	Kmart		Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar

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4047	Costa Mesa	CA	Kmart		Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
9328	Livermore	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
3828	Temecula	CA	Kmart	1/20/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending
2728	Downey	CA	Sears Auto Center		Universal Vending
2798	Palm Desert	CA	Sears Auto Center		Universal Vending
3127	Temecula	CA	Kmart		Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement vending, KeyMe
1221	Chapel Hills	CO	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
1111	Colorado Springs	CO	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending, Keyless Key Shop
7725	Rehoboth Beach	DE	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Avis/Budget Car Rental
425	Jacksonville	FL	RRC		Universal Vending
2315	Jensen Bch(Stuart)	FL	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
2145	Port Charlotte	FL	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
1755	Boynton Beach	FL	Sears FLS	1/20/2019	Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental, iCan Health Benefits
4893	Ellenton	FL	Kmart	3/24/2019	Western Union, Intelicom Wireless, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
7321	Bradenton	FL	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
1495	Ft Myers	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
6820	Boynton Beach	FL	Sears Auto Center		Universal Vending
2505	Covington	GA	Sears FLS	3/24/2019	Luxottica Optical

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8158	Honolulu	HI	SVC CTRL		Universal Vending
2278	Idaho Falls	ID	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
7289	Steger	IL	Kmart		Western Union, Universal Money ATM, Universal Vending, Dacra Glass
3371	Chicago	IL	Kmart	1/20/2019	Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
2990	Rockford- Cherryvale	IL	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending, Avis/Budget Car Rental
1640	Elk Grove Vlg	IL	Sears FLS	3/24/2019	Universal Vending
2936	Chicago	IL	Sears Auto Center		Universal Vending
9030	Peru	IN	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending
1226	Metairie	LA	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending, Avis/Budget Car Rental
4810	Metairie	LA	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
3288	Billerica	MA	Kmart		Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
1424	Bethesda	MD	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending, Keyless Key Shop
1754	Gaithersburg	MD	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal vending, Avis/Budget Car Rental
3131	Frederick	MD	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
1773	Prince Frederick	MD	Sears FLS	3/24/2019	Luxottica Optical, Picture People Portrait, Universal Vending
3380	Waterville	ME	Kmart	1/20/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
6232	Roseville	MI	Sears Auto Center		Universal Vending
4351	Rochester	MN	Kmart	3/24/2019	Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
9353	Crystal City	MO	Kmart	3/24/2019	Western Union, Lottery, Universal Vending,

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
					NEN Amusement Vending, Dacra Glass
2106	Tupelo	MS	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
9520	Gulfport	MS	Kmart	3/24/2019	Western Union, Universal Vending
9619	Morehead City	NC	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending
1375	Winston Salem	NC	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending, Avis/Budget Car Rental
3886	Asheville	NC	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
9549	Morganton	NC	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending
4022	Grand Forks	ND	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass
9319	Alliance	NE	Kmart	3/24/2019	Western Union, Universal Vending, Coinstar
2421	Grand Island	NE	Sears FLS	1/20/2019	Universal Vending
1313	Nashua	NH	Sears FLS		Picture People Portrait, Universal Vending
3071	Toms River	NJ	Kmart	3/24/2019	Universal Money ATM, Universal Vending, NEN Amusement Vending, Distributech, Coinstar
2597	Farmington	NM	Sears FLS		Universal Vending
1668	Las Vegas(Meadows)	NV	Sears FLS		Luxottica Optical, Picture People Portrait, Repair & Wear Watch Repair, Universal Vending
1328	Las Vegas(Blvd)	NV	Sears FLS	3/24/2019	Universal Vending
1828	Las Vegas	NV	Sears FLS	1/20/2019	Luxottica Optical, Ignazio Lanzafame Watch Repair, Universal Vending
9274	Greenwich	NY	Kmart	3/24/2019	Western Union, Lottery, Universal Vending
2173	Saratoga	NY	Sears FLS	1/20/2019	Universal Vending
2683	Watertown	NY	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
9381	Huntington	NY	Kmart	1/20/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech, Coinstar
1624	Sidney	NY	Sears FLS		Universal Vending
2626	College Point	NY	Sears Auto Center		Universal Vending

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2741	Massapequa	NY	Sears Auto Center		Universal Vending
3013	Cleveland	OH	Kmart	3/24/2019	Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
9096	Fostoria	OH	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
3142	Tallmadge	OH	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
1280	Springdale	OH	Sears FLS	8/5/2018	Family Dental Care Associates is still temporarily operating in the closed FLS
2001	Piqua	OH	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
3243	North Canton	OH	Kmart		Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
3839	Corvallis	OR	Kmart	3/24/2019	Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
2715	Salem	OR	Sears Auto Center		Universal Vending
2074	Stroudsburg	PA	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
2494	Altoona	PA	Sears FLS	3/24/2019	Luxottica Optical, Beauty Express Hair Salon, Universal Vending
1484	Reading	PA	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending
2605	State College	PA	Sears Auto Center		Universal Vending
4113	Erie	PA	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
3527	Philadelphia	PA	Kmart	1/20/2019	Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Distributech, Dacra Glass
1154	Whitehall	PA	Sears FLS		Luxottica Optical, Beltone Hearing, Universal Vending
3361	Allentown	PA	Kmart	1/31/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, N EN Amusement Vending, KeyMe, Coinstar
4064	North Versailles	PA	Kmart	1/20/2019	Western Union, Lottery, Universal Vending, NN Amusement Vending, KeyMe, Dacra Glass, Parking Lot (JDM Structures)
7293	Chambersburg	PA	Kmart		Western Union, Lottery, Universal Vending, N

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					EN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
1834	North Versailles	PA	Sears FLS		Luxottica Optical, Universal Vending
1935	Mayaguez	PR	Sears FLS		Mayaguez Optical, Hearing Aid Associates, Select Salons Hair Salons, Universal Vending, Travel Concepts, Avis/Budget Car Rental, Banco Popular ATM, Blanco Velez Men's Suits, Universal Sunglasses, Libreria Mundo Escovar Books
3896	San German	PR	Kmart	1/20/2019	Western Union, Banco Popular ATM, Universal vending, NEN Amusement Vending, Coinstar, MCS Advantage
4490	San Juan	PR	Kmart	1/20/2019	Western Union, Banco Popular ATM, Lottery, Universal Vending, NEN Amusement Vending, H&R Block Tax, Coinstar, Yogen Frusz, Mini Gold Watch Repair, MCS Advantage, MMM Holdings
4858	Caguas	PR	Kmart	1/20/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, MMM Holdings
3853	Guayama	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, H&R Block Tax, Parking Lot (Auto-Lux Mobile Car Wash), MCS Advantage, Triple-S Salud, MMM Holdings
7062	Sumter	SC	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass
2807	Rock Hill	SC	Sears FLS	1/20/2019	Luxottica Optical, Universal Vending, Avis/Budget Car Rental
4170	Rapid City	SD	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass
2036	Jackson	TN	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
9735	Sevierville	TN	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending
2226	Murfreesboro	TN	Sears FLS	1/20/2019	Universal Vending
2156	Maryville	TN	Sears FLS	1/20/2019	Universal Vending
9507	San Antonio	TX	MSO		Universal Vending
2557	Longview	TX	Sears FLS	1/20/2019	Universal Vending

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1387	Amarillo	TX	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
1367	Waco	TX	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
2487	Killeen	TX	Sears FLS	3/24/2019	Universal Vending
2435	Charlottesville	VA	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
3750	Waupaca	WI	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
3692	Oconomowoc	WI	Kmart	3/24/2019	Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech
6375	Bridgeport	WV	Sears Auto Center		Universal Vending
1788	Richmond	CA	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal Vending
1075	Daytona Beach	FL	Sears FLS	3/24/2019	Luxottica Optical, Action Time Watch Repair, Universal Vending
470	Manteno	IL	CDFC		Universal Vending
2632	Fairview Hts	IL	Sears Auto Center	1/19/2018	Universal Vending
1475	Durham	NC	Sears FLS	3/24/2019	Universal Vending
1216	Memphis/Southland	TN	Sears FLS	1/20/2019	Universal Vending, Avis/Budget Car Rental
4395	Cudahy	WI	Kmart	1/20/2019	Western Union, Cardtronics ATM, Lottery, Universal vending, NEN Amusement Vending, Dacra Glass, Distributech
8217	Ft. Worth	TX			Universal Vending
8147	San Antonio	TX			Universal Vending
100700	Brandon	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
100800	Boyle	CA	Sears FLS		Luxottica Optical, Picture People Portrait, H&R Block Tax, Universal Vending, Hugo Gonzalez Watch Repair
101300	Glen Burnie	MD	Sears FLS		Luxottica Optical, Universal Vending
101800	Baldwin Hills	CA	Sears FLS		Luxottica Optical, Universal Vending, KeyMe
102400	Falls Church	VA	Sears FLS		Luxottica Optical, Universal Vending, KeyMe

RE ID	City	State/ Locality	SHC Format	Close Date	Active Licensed Businesses in Store
104100	Omaha	NE	Sears FLS	3/24/2019	Universal Vending
104200	Joplin	MO	Sears FLS		Universal Vending
104400	Jersey City/Newport	NJ	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal Vending, KeyMe
104500	Durham-Northgate	NC	Sears FLS		Universal Vending
104800	Pasadena	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Repair and Wear Watch Repair, Universal Vending
105300	Saugus	MA	Sears FLS		Universal Vending, Avis/Budget Car Rental
106600	The Avenues	FL	Sears FLS		Luxottica Optical, Nadar Zarou Watch Repair, Universal Vending
107300	Exton	PA	Sears FLS		Universal Vending
108100	Heath	OH	Sears FLS		Luxottica Optical, Universal Vending
108500	Caguas	PR	Sears FLS		Hearing Associates Hearing Aids, Select Salons Hair Salon, Universal Vending, Travel Concepts, Banco Popular ATM, Universal Sunglasses, Liberia Mundo Escolar Books
108800	Glendale	CA	Sears FLS		Luxottica Optical, Repair and Wear Watch Repair, Universal Vending
109200	Westland	MI	Sears FLS		Luxottica Optical, Easy Method Driving School
109400	Hackensack	NJ	Sears FLS		Universal Vending, Keyless Key Shop
109700	San Antonio	TX	Sears FLS		Luxottica Optical, Universal Vending
109800	Clovis	CA	Sears FLS		Luxottica Optical, Universal Vending
110800	Temecula	CA	Sears FLS		Luxottica Optical, Universal Vending
111100	Colorado Springs	CO	Sears FLS		Luxottica Optical, Universal Vending, Keyless Key Shop
111400	Brooklyn	NY	Sears FLS		Luxottica Optical, Universal Vending, KeyMe (with Kmart in basement with Western Union, Lottery)
112500	Coral Gables	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
112700	Shepherd	TX	Sears FLS		Luxottica Optical, Universal Vending, Outside Key Shop
113300	Leominster	MA	Sears FLS		Luxottica Optical, Universal Vending
113900	Tukwila	WA	Sears FLS		Luxottica Optical, Universal Vending

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114100	Aurora	CO	Sears FLS		Universal Vending
114800	Ventura	CA	Sears FLS		Repair and Wear Watch Repair, Universal Vending
114900	Whittier	CA	Sears FLS		Luxottica Optical, Beltone Hearing, Universal Vending, KeyMe
115400	Whitehall	PA	Sears FLS		Luxottica Optical, Beltone Hearing, Universal Vending
116100	Wichita-Town East	KS	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending, Avis/Budget Car Rental, Safelite Auto Glass
116800	No Hollywood	CA	Sears FLS		Luxottica Optical, Universal Vending
117000	Lansing	MI	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal Vending, Keyless Key Shop
118900	West Covina	CA	Sears FLS		Luxottica Optical, Universal Vending
119500	Ft Lauderdale	FL	Sears FLS		Action Time Watch Repair, Universal Vending
120400	Freehold	NJ	Sears FLS		Beltone Hearing, Universal Vending
120600	North Little Rock	AR	Sears FLS		Universal Vending, Avis/Budget Car Rental
120700	Richardson	TX	Sears FLS	3/24/2019	Universal Vending, SSES Driving School
120800	Fresno	CA	Sears FLS		Repair and Wear Watch Repair, Universal Vending
121000	Polaris	OH	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
121200	N Riverside	IL	Sears FLS		Luxottica Optical, Picture People Portrait, Universal Vending, KeyMe
121300	Auburn	MA	Sears FLS		Luxottica Optical, Universal Vending
122100	Chapel Hills	CO	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
122300	Brockton-Westgate	MA	Sears FLS		Universal Vending
122600	Metairie	LA	Sears FLS	3/24/2019	Luxottica Optical, Jackson Hewitt Tax, Universal Vending, Avis/Budget Car Rental
124300	Hanover	MA	Sears FLS		Universal Vending
124800	Hayward	CA	Sears FLS		Luxottica Optical, Ansari Mohsen Dental, Repair and Wear Watch Repair, Beauty Express Hair Salon, Universal Vending
126800	Buena Park	CA	Sears FLS		Luxottica Optical, Repair and Wear Watch Repair, Universal Vending, KeyMe
127400	Chesterfield	VA	Sears FLS		Universal Vending

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127800	Torrance	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Repair and Wear Watch Repair, Universal Vending, Avis/Budget Car Rental, KeyMe
128300	Braintree	MA	Sears FLS		Luxottica Optical, Universal Vending
128400	Alexandria	VA	Sears FLS		Universal vending, Avis/Budget Car Rental, KeyMe
128800	Stockton	CA	Sears FLS		Luxottica Optical, Universal Vending, KeyMe
129800	Riverside	CA	Sears FLS		Luxottica Optical, Universal Vending
130000	Oakbrook	IL	Sears FLS		Repair and Wear Watch Repair, Universal Vending
130300	Danbury	CT	Sears FLS		Luxottica Optical, Universal Vending
130400	Silver Spring	MD	Sears FLS		Luxottica Optical, Picture People Portrait, Far East Watch Repair, Andy Melwani Formalwear, Avis/Budget Car Rental
130900	Downey	CA	Sears FLS		Luxottica Optical, Avedis Ovayan Watch Repair, Universal Vending
131300	Nashua	NH	Sears FLS		Picture People Portrait, Universal vending
131700	El Paso	TX	Sears FLS		Luxottica Optical, Wilhemine Torres Watch Repair, Universal Vending, Distributech
132800	Las Vegas(Blvd)	NV	Sears FLS	3/24/2019	Universal Vending
133300	Poughkeepsie	NY	Sears FLS		Luxottica Optical, Universal Vending
133500	Greensboro	NC	Sears FLS		Universal Vending
134500	Hialeah/Westland	FL	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
135800	Chula Vista	CA	Sears FLS		Luxottica Optical, Repair and Wear Watch Repair, Beauty Express Hair Salon, Universal Vending
136500	Miami/Cutler Rdg	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
136700	Waco	TX	Sears FLS	3/24/2019	Luxottica Optical, Universal vending
136800	Concord	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Visant Jadia Watch Repair, Universal Vending, Avis/Budget Car Rental
137400	Bel Air	MD	Sears FLS		Luxottica Optical, Universal Vending
137800	Orange	CA	Sears FLS		Luxottica Optical, Universal Vending

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138600	Goodlettsville	TN	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
138700	Amarillo	TX	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
139800	San Bernardino	CA	Sears FLS		Luxottica Optical, Universal Vending
140400	Massapequa	NY	Sears FLS		Universal Vending
141000	Canton	OH	Sears FLS		Luxottica Optical, HMS Salons, Universal Vending
143400	Wayne	NJ	Sears FLS		Luxottica Optical, Beauty Express Hair Salon, Universal Vending, Avis/Budget Car Rental, Keyless Key Shop
145600	Oviedo	FL	Sears FLS		Luxottica Optical, John Zarou Watch Repair, Universal Vending
146300	Burlington	VT	Sears FLS		Universal Vending
147800	San Bruno	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Eddy Lim Dental, Inna Maze Watch Repair, Universal Vending, Avis/Budget Car Rental, KeyMe
148800	San Jose-Eastridge	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Roberto Paras Watch Repair, Universal Vending, Avis/Budget Car Rental, KeyMe
149400	Moorestown	NJ	Sears FLS		Luxottica Optical, Beauty Express Hair Salon, Universal Vending
149500	Ft Myers	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
150800	Northridge	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Repair and Wear Watch Repair, Universal Vending
157800	Aiea Oahu-Pearl Rdg	HI	Sears FLS		Luxottica Optical, Hilo Hearing Aids, Repair and Wear Watch Repair, Bon Jon Formalwear, Universal Vending, Zippy's Restaurant, Cardtronics ATM, Hawaii Pacific Credit Union, Cingula Wireless Cell Phone Tower
158500	Tallahassee	FL	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
162400	Staten Island	NY	Sears FLS		Universal Vending
162900	Pharr	TX	Sears Small Store		Universal Vending
164000	Fairview Hts	IL	Sears FLS	3/24/2019	Universal Vending
164400	Lancaster	PA	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending, Avis/Budget Car Rental
165400	Media	PA	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental

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166800	Las Vegas(Meadows)	NV	Sears FLS		Luxottica Optical, Picture People Portrait, Repair and Wear Watch Repair, Universal Vending
167400	White Plains	NY	Sears FLS		Beauty Express Hair Salon, Universal Vending, Nailport Nail Salon, KeyMe
167800	Carlsbad	CA	Sears FLS		Luxottica Optical, Repair and Wear Watch Repair, Universal Vending
168100	Honolulu	HI	Sears Small Store		Universal Vending
168400	Woodbridge	NJ	Sears FLS		Luxottica Optical, Universal Vending
168800	Salinas	CA	Sears FLS		Luxottica Optical, Far East Watch Repair, Universal Vending
171100	Camp Hill	PA	Sears Small Store		Universal Vending
171400	Greensburg	PA	Sears FLS	3/24/2019	Luxottica Optical, Jackson Hewitt Tax, Beauty Express Hair Salon, Universal Vending, Lottery
172200	Bloomington	MN	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending, Coffee & Tea by Lee Restaurant
172500	Annapolis	MD	Sears FLS		Luxottica Optical, Picture People Portrait, HMS Hair Salon, Universal Vending
172800	Tucson	AZ	Sears FLS		Picture People Portrait, Jorge Valencia Watch Repair, Universal Vending
173300	Yonkers	NY	Sears FLS		Luxottica Optical, Picture People Portrait, Jackson Hewitt Tax, Universal Vending, KeyMe
173800	Kaneohe(Sur)	HI	Sears FLS		Luxottica Optical, Bon Jon Formalwear, Universal Vending, Cingula Wireless Cell Phone Tower
174500	Tampa/Westshore	FL	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
174800	Montclair	CA	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental
175400	Gaithersburg	MD	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal Vending, Avis/Budget Car Rental
175800	Escondido	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Universal Vending
176500	Palm Beach Gardens	FL	Sears FLS		Luxottica Optical, Karin Krause Watch Repair, Universal Vending, iCan Health Benefits
177300	Salisbury	MD	Sears FLS	3/24/2019	Luxottica Optical, Picture People Portrait, Universal Vending
177500	Pembroke Pines	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending, Avis/Budget Car Rental
179800	Glendale	AZ	Sears FLS		Luxottica Optical, Picture People Portrait, Universal Vending
181000	Cincinnati-Eastgate	OH	Sears FLS		Luxottica Optical, Family Care Dental, Universal Vending

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181800	Rancho Cucamonga	CA	Sears FLS		Luxottica Optical, Picture People Portrait, Atanacio Enrices Watch Repair, Universal Vending
183400	North Wales	PA	Sears FLS		Luxottica Optical, Universal Vending
183800	Burbank	CA	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal Vending
186800	Moreno Vly	CA	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental
189400	Rochester	NY	Sears FLS		Luxottica Optical, Avis/Budget Car Rental
190500	Hato Rey	PR	Sears FLS		Mayaguez Optical, Hearing Associates Hearing Aids, Centro Tecnico Watch Repair, Universal Vending, Select Salons Hair Salon, Travel Concepts, Avis/Budget Car Rental, Deli Plus, Yogen Fruz, Direct Distribution, Academia des Artes Manales, Blanco Veles Suits, Mariangely Class-Arand Perez Gift Wrap, PR Teloco, Universal Sunglasses, Burger King
191500	Bayamon	PR	Sears FLS		Mayaguez Optical, Hearing Associates Hearing Aids, Select Salons Hair Salon, Travel Concepts, BMJ Foods, Banco Popular ATM, Deli Plus, Yogen Fruz, Blanco Velez Suits, Universal Sunglasses
192400	Valley Stream	NY	Sears FLS		Luxottica Optical, Universal Vending, KeyMe
192500	Carolina	PR	Sears FLS		Hearing Associates Hearing Aids, Select Salons Hair Salon, Universal Vending, Travel Concepts, Banco Popular ATM, Yogen Fruz, Blanco Velez Suits, Rocketfix Mobile, Universal Sunglasses
193500	Mayaguez	PR	Sears FLS		Mayaguez Optical, Hearing Associates Hearing Aids, Select Salons Hair Salon, Universal Vending, Travel Concepts, Avis/Budget Car Rental, Banco Popular ATM, Blanco Velez Suits, Universal Sunglasses
194500	Ponce	PR	Sears FLS		Mayaguez Optical, Hearing Associates Hearing Aids, Select Salons Hair Salon, Universal Vending, Travel Concepts, Avis/Budget Car Rental, Yogen Fruz, Blanco Velez Suits., PR Telco, Rocketfix Mobile
196800	Palm Desert	CA	Sears FLS		Luxottica Optical, Universal Vending
198400	Buffalo/Hamburg	NY	Sears FLS		Luxottica Optical, Universal Vending
202300	Concord	NH	Sears FLS		US Vision Optical, Universal Vending
202700	Wasilla	AK	Sears FLS		Universal Vending
202800	Hemet	CA	Sears FLS		Luxottica Optical, Universal Vending

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202900	Union Gap	WA	Sears FLS		Universal Vending
203600	Jackson	TN	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
204900	Everett	WA	Sears FLS		Luxottica Optical, Universal Vending
205900	Tracy	CA	Sears FLS		Luxottica Optical, Universal Vending
206800	Visalia	CA	Sears FLS		Luxottica Optical, Universal Vending, Parking Lot - Famers Market - Angela Warkenton-Wakley
208500	Fajardo	PR	Sears FLS		Mayaguez Optical, Universal Vending, Travel Concepts
208800	Santa Maria	CA	Sears FLS		Universal Vending
210400	St Clairsville	OH	Sears FLS		Luxottica Optical, Ohio Valley Family Dental, Universal Vending
210500	Burlington	NC	Sears FLS		Universal Vending
211400	Washington	PA	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental
214500	Port Charlotte	FL	Sears FLS	3/24/2019	Luxottica Optical, Universal Vending
214800	Kahului Maui(Sur)	HI	Sears FLS		Universal Vending
217900	Medford	OR	Sears FLS	3/24/2019	Universal Vending
220300	Brunswick	ME	Sears FLS		US Vision, Universal Vending
221500	Key West	FL	Sears FLS		Luxottica Optical, Mama's Rock and Sand Garden Center
221800	Prescott	AZ	Sears FLS		Luxottica Optical, Universal Vending, Avis/Budget Car Rental
223800	Yuba City	CA	Sears FLS		Luxottica Optical, Universal Vending
226500	Johnson City	TN	Sears FLS		Universal Vending
232900	Kennewick(Pasco)	WA	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
235500	Hatillo(Arecibo)	PR	Sears FLS		Hearing Associates Hearing Aids, Universal Vending, Travel Concepts, Banco Popular ATM, Blanco Velez Suits, Universal Sunglasses
237300	No Dartmouth	MA	Sears FLS		Luxottica optical, Universal Vending
238800	Hilo(Sur)	HI	Sears FLS		Universal Vending
239500	Manassas	VA	Sears FLS		Picture People Portrait, Universal Vending, Avis/Budget Car Rental

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242200	Sioux City	IA	Sears FLS	3/24/2019	Universal Vending
243500	Charlottesville	VA	Sears FLS	3/24/2019	Universal Vending, Avis/Budget Car Rental
248500	Brooksville	FL	Sears FLS		Luxottica Optical, Heavenly Jewelry on Earth Watch Repair, Universal Vending
248700	Killeen	TX	Sears FLS	3/24/2019	Universal Vending
249400	Altoona	PA	Sears FLS	3/24/2019	Luxottica Optical, Beauty Express Hair Salon, Universal Vending
250500	Gainesville	GA	Sears FLS	3/24/2019	Luxottica Optical
252700	Las Cruces	NM	Sears FLS		Universal Vending, Avis/Budget Car Rental
259300	Newburgh	NY	Sears FLS		Universal Vending
259700	Farmington	NM	Sears FLS		Universal Vending
262800	Eureka	CA	Sears FLS		Universal Vending
263700	Port Arthur	TX	Sears FLS	3/24/2019	Universal Vending
266400	Frederick	MD	Sears FLS		Luxottica Optical, Jackson Hewitt Tax, Universal Vending, Keyless Key Shop
267500	Guayama	PR	Sears FLS		Universal Vending
269400	Fredericksburg	VA	Sears FLS		Universal Vending
274400	Horseheads/Elmira	NY	Sears FLS		Luxottica Optical, Universal Vending
274500	Leesburg	FL	Sears FLS		Luxottica Optical, Action Time Watch Repair, Universal Vending
275500	Jacksonville	NC	Sears FLS		Luxottica Optical, Universal Vending
277400	Cumberland	MD	Sears FLS		Luxottica Optical
278400	Winchester	VA	Sears FLS		Universal Vending
282900	Victorville	CA	Sears FLS		Luxottica Optical, Doribel Pleitez Watch Repair, Universal Vending
299000	Rockford-Cherryvale	IL	Sears FLS	3/24/2019	Luxottica Optical, Avis/Budget Car Rental
301300	Cleveland	OH	Kmart	3/24/2019	Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
302100	Auburn	ME	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending

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302900	Erlanger	KY	Kmart		Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
304000	Hyannis	MA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
305600	Wayne	NJ	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
305900	St. Paul	MN	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
307100	Toms River	NJ	Kmart	3/24/2019	Universal Money ATM, Universal Vending, NEN Amusement Vending, Distributech, Coinstar
307400	Miami	FL	Kmart		Western Union, Intelicome Wireless, Lottery, Universal Vending, NEN Amusement Vending
308600	Chico	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
312700	Temple City	CA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe
313100	Frederick	MD	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
313600	Shillington	PA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
314200	Tallmadge	OH	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
315500	Belleville	MI	Kmart		Western Union, ATM (Universal Money), NEN Amusement Vending, Dacra Glass, Distributech, Coinstar
317200	Hagerstown	MD	Kmart		ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
317400	Stockton	CA	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
317500	Hooksett	NH	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
320200	Westwood	NJ	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
321600	Vernon	CT	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
322500	Chambersburg	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech, Euro-Tech

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323500	West Covina	CA	Kmart		ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
324300	North Canton	OH	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
325600	Baltimore	MD	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
326600	Edwardsville	PA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
326800	Wilkes-Barre	PA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
326900	Lantana	FL	Kmart		Western Union, Lottery, Universal Vending, Dacra Glass, Coinstar
328600	Brunswick	OH	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Euro-Tech
328800	Billerica	MA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
330100	Santa Fe	NM	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Distributech
331700	Boca Raton	FL	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
337900	Waterford Twp.	MI	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
339000	Williamsport	PA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
340500	Minneapolis	MN	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
341200	Salinas	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe
341500	Buffalo	NY	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
343800	Avenel	NJ	Kmart		Western Union, ATM (Universal Money), Universal Vending, KeyMe, Distributech, Coinstar
347100	Chesapeake	VA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
348400	Elkview	WV	Kmart		Western Union, ATM (Cardtronics), Universal Vending

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348600	Somerville	MA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
349900	Kearny	NJ	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
350100	Petaluma	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending
359200	Las Vegas	NV	Kmart		Western Union, Nevada Gaming, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Distributech
359700	Holmes	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
366700	Raleigh	NC	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
367800	Ramona	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
369200	Oconomowoc	WI	Kmart	3/24/2019	Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech
370700	Lake Havasu City	AZ	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech, Coinstar
372500	Freedom	CA	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending, Coinstar
373700	Doylestown	PA	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
374400	Kill Devil Hills	NC	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending
374800	Hollister	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, NEN Amusement Vending, KeyMe, Dacra Glass
375000	Waupaca	WI	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
378500	Tabb	VA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech
379800	Hyattsville	MD	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Coinstar, Parking Lot (CW & Sons)
381000	Willow Street	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech, Euro-Tech
381800	Hollywood	FL	Kmart		Western Union, Intelicom Wireless, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
381900	Hastings	MI	Kmart		Western Union, ATM (Cardtronics), NEN Amusement Vending, Dacra Glass

RE ID	City	State/ Locality	SHC Format	Close Date	Active Licensed Businesses in Store
382900	St. Thomas	VI	Kmart		Western Union, Lottery, Universal Vending
383400	Burbank	CA	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, KeyMe, Coinstar
383900	Corvallis	OR	Kmart	3/24/2019	Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
384100	Marshall	MI	Kmart		Western Union, ATM (Cardtronics), Lottery, NEN Amusement Vending, Dacra Glass
384200	Oakdale	CA	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending
385100	Racine	WI	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech
386200	Bohemia	NY	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
387300	Wilmington	DE	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
388200	Mayaguez	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, Yogen Fruz, Travel Concepts, MCS Advantage, Triple-S Salud
388600	Asheville	NC	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
388800	The Dalles	OR	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending
391100	Columbia	PA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
394900	Wind Gap	PA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Euro-Tech
395400	Walnutport	PA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Euro-Tech, Coinstar
396300	Elizabethtown	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
397200	St. Croix	VI	Kmart		Western Union, Lottery, Universal Vending
399300	Juana Diaz	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
401600	Greenville	SC	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending
402200	Grand Forks	ND	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
403400	Mattydale	NY	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
404700	Costa Mesa	CA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
405700	Fargo	ND	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending, Dacra Glass
411300	Erie	PA	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
414100	West Columbia	SC	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe
417000	Rapid City	SD	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass
421400	Des Plaines	IL	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
427200	Bismarck	ND	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending, Parking Lot (Off The Hook Seafood)
429700	Moline	IL	Kmart	1/6/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass
434900	Redwood City	CA	Kmart		Western Union, Lottery, Universal Vending, KeyMe, Coinstar, Parking Lot (rePlanet)
435100	Rochester	MN	Kmart	3/24/2019	Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
435300	Minot	ND	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending, Dacra Glass
435500	St. Petersburg	FL	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
438100	Bridgeview	IL	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Coinstar
438900	McAllen	TX	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Distributech, Coinstar
439900	Silver Spring	MD	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
440700	Brockton	MA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
442100	North Hollywood	CA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, Coinstar, Parking Lot (Imperial Auto Body)
444200	Charleston	WV	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending, Dacra Glass

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
444800	Salem	NH	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Coinstar
445300	Pueblo	CO	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Parking Lot (Ramblin Express)
445700	Hayward	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
447000	West Long Branch	NJ	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
447800	Trenton	NJ	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Distributech, Coinstar
449400	Trujillo Alto	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
471300	Towanda	PA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
472500	Key West	FL	Kmart		Western Union, Intelicom Wireless, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
472800	Miami	FL	Kmart		Western Union, Intelicome Wireless, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar, Restaurant (El Paraiso De Los Jugos)
473200	Aguadilla	PR	Kmart		Western Union, AMT (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
475100	Tehachapi	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
478200	Clinton	OK	Kmart		Western Union, ATM (Cardtronics), NEN Amusement Vending, Dacra Glass
480700	Bear	DE	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech, Coinstar
481000	Metairie	LA	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Coinstar
481900	Lakeport	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
484400	Rio Piedras	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
487100	Farmingville	NY	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar, Nightingale Medical

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
499600	Tucson	AZ	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Distributech
700600	Twin Falls	ID	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending
701600	Hobbs	NM	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
703000	Kalispell	MT	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
703100	Menominee	MI	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
703300	Lewiston	ID	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
703400	Walla Walla	WA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
703500	Farmington	NM	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending,
704200	Valparaiso	IN	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
704800	West Lebanon	NH	Kmart		Western Union, ATM (Cardtronics), NEN Amusement Vending
706200	Sumter	SC	Kmart	3/24/2019	Western Union, Cardtronics ATM, Universal Vending, NEN Amusement Vending, Dacra Glass
706500	Horseheads	NY	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
706800	Midland	MI	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass
708300	New Castle	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending
709800	Concord	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Coinstar
710400	Acton	MA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
710900	Watertown	CT	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
713300	Augusta	ME	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
713900	Jackson	WY	Kmart		ATM (Cardtronics), Universal Vending
716500	Camarillo	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe
717500	Riverside	CA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, Coinstar

RE ID	City	State/ Locality	SHC Format	Close Date	Active Licensed Businesses in Store
717700	Belleville	NJ	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
719200	Easton	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
720800	Clemmons	NC	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
724300	Kokomo	IN	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Euro-Tech
724600	Richmond	IN	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
725500	Somerset	KY	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
729300	Clifton Heights	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
729400	Vero Beach	FL	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
732100	Bradenton	FL	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
732900	Loveland	CO	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
737200	Leechburg	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
737400	West Chester	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Distributech
738300	Barberton	OH	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
739000	McKinleyville	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
739700	Grove City	OH	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Euro-Tech, Parking Lot (JDM Structures)
741300	Frederiksted	VI	Kmart		Western Union, Lottery, Universal Vending
741900	Caguas	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
744600	Cayey	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
747700	Marietta	OH	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
756600	Arecibo	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud

RE ID	City	State/ Locality	SHC Format	Close Date	Active Licensed Businesses in Store
757000	Bayamon	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, Yogen Frusz, MCS Advantage, Triple-S Salud
760200	Wall	NJ	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Distributech, Coinstar
761600	Lexington	SC	Kmart		Western Union, NEN Amusement Vending, KeyMe, Dacra Glass
761900	Atascadero	CA	Kmart		Western Union, Lottery, Universal Money
762600	Waynesville	NC	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
763900	Santa Paula	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar
764400	Harrison	OH	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
764800	Mauston	WI	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
764900	Ripon	WI	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
765300	Big Bear Lake	CA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending
765400	Bronx	NY	Kmart		ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
766500	Carolina	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
767300	Stevensville	MD	Kmart		Western Union, ATM (Universal Money), NEN Amusement Vending, Dacra Glass, Coinstar
767600	Sidney	NY	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
767700	Wellsville	NY	Kmart	3/24/2019	Western Union, Universal Money ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
769900	Lebanon	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
771300	Edgewater	MD	Kmart		Western Union, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
772500	Rehoboth Beach	DE	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Avis/Budget Car Rental
774100	Ponce	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, Parking Lot (Auto-Lux Mobile Car Wash), MCS Advantage, Triple-S Salud
774900	New York	NY	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
775200	Yauco	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, Yogen Fruz, MCS Advantage, Triple-S Salud
775600	Bishop	CA	Kmart		Western Union, ATM (Universal Money), Lottery, Coinstar
776700	Charles City	IA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
776800	Guaynabo	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, MCS Advantage, Triple-S Salud
777700	New York	NY	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe
778300	Hato Rey	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar, Travel Concepts, MCS Advantage, Triple-S Salud
778400	Vega Alta	PR	Kmart		Western Union, ATM (Banco Popular), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
778800	Bayamon	PR	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Coinstar, Travel Concepts, MCS Advantage, Triple-S Salud
779300	St. Thomas	VI	Kmart		Western Union, Lottery, Universal Vending
803700	Chattanooga	TN	Repair Center		Universal Vending
820600	Nashville	TN	SVC District		Universal Vending
870900	Kent	WA	DDC		Universal Vending
875300	Syosset	NY	MDO		Universal Vending
877800	Phoenix	AZ	DOS Inventory		Universal Vending
879000	Cleveland	OH	MDO		Universal Vending
881500	Sunrise	FL	MDO		Universal Vending
882300	Dulles	VA	MDO		Universal Vending
882500	Winter Park	FL	MDO		Universal Vending
887100	Romeoville	IL	DDC		Universal Vending
887300	Gouldsboro	PA	DDC		Universal Vending
889500	Tampa	FL	MDO		Universal Vending
897000	Las Vegas	NV	Mixload		Universal Vending
903000	Peru	IN	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass

RE ID	City	State/ Locality	SHC Format	Close Date	Active Licensed Businesses in Store
909600	Fostoria	OH	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
912200	Warsaw	IN	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
912400	Elwood	IN	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Euro-Tech
915300	South Lake Tahoe	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement, Distributech
916100	Berwick	PA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
922000	Algona	IA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
922400	Marathon	FL	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
927400	Greenwich	NY	Kmart	3/24/2019	Western Union, Lottery, Universal Vending
931900	Alliance	NE	Kmart	3/24/2019	Western Union, Universal vending, Coinstar
932800	Long Beach	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Coinstar
935300	Crystal City	MO	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
941300	West Orange	NJ	Kmart		Western Union, ATM (Universal Money), Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass, Distributech, Coinstar
941400	Yorktown Heights	NY	Kmart		Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
941600	White Plains	NY	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, KeyMe, Dacra Glass
942000	Bronx	NY	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, KeyMe
942300	Bridgehampton	NY	Kmart		Lottery, Universal Vending, KeyMe
946300	Somers Point	NJ	Kmart		Western Union, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
952000	Gulfport	MS	Kmart	3/24/2019	Western Union, Universal Vending
954900	Morganton	NC	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending
955100	Paradise	CA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending
955700	Grayling	MI	Kmart		Western Union, ATM (Cardtronics), NEN Amusement Vending
958900	Bath	NY	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending

<u>RE ID</u>	<u>City</u>	<u>State/ Locality</u>	<u>SHC Format</u>	<u>Close Date</u>	<u>Active Licensed Businesses in Store</u>
959300	Oscoda	MI	Kmart		Western Union, ATM (Cardtronics), Universal Vending, NEN Amusement Vending
960800	Auburn	CA	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass
961400	Key Largo	FL	Kmart		Western Union, Intelicom Wireless, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Coinstar
961900	Morehead City	NC	Kmart	3/24/2019	Western Union, Lottery, Universal Vending, NEN Amusement Vending
962100	Lebanon	TN	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
966200	Ephrata	PA	Kmart		Western Union, ATM (Universal Money), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Distributech
968900	International Falls	MN	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
969200	Webster	MA	Kmart		Western Union, ATM (Cardtronics), Lottery, Universal Vending, NEN Amusement Vending, Dacra Glass, Coinstar
969300	Marine City	MI	Kmart		Western Union, Universal Vending, NEN Amusement Vending
973500	Sevierville	TN	Kmart	3/24/2019	Western Union, Cardtronics ATM, Lottery, Universal Vending, NEN Amusement Vending
974600	Grass Valley	CA	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending
979400	St. George	UT	Kmart		Western Union, Universal Vending, NEN Amusement
979700	Scotts Valley	CA	Kmart		Western Union, Lottery, Universal Vending, KeyMe
980800	Hamilton	MT	Kmart		Western Union, Lottery, Universal Vending, NEN Amusement Vending
7871400	Secaucus	NJ	MDO		Universal Vending
8877600	Olive Branch	MS	DDC		Universal Vending

Schedule 6.6(b)

1. The following condemnation matters are pending with respect to the Owned Real Property:

RE ID	ST	Name	Address	Detail
157000	IL	Schaumburg	2 Woodfield Mall	There is a threatened condemnation at Schaumburg IL S#1570. Permanent ROW and TCE for road widening.
117100	MO	Springfield	2825 S Glenstone Ave	Road widening – ROW and TCE.
171000	OH	No Olmsted	5000 Great Northern Mall	City needs easement to complete traffic signal and pedestrian signal improvements.
2374	NJ	Vineland	8 W. Landis Avenue	Sewer authority requested easement and deposited \$6,808.02 with court for value of easement. On 10/03/18, authority increased offer to \$8K.
9676	OH	Streetsboro	9059 State Route 14	City threatening taking for highway improvement and offered \$9,405 for value of taking. Buyer has been informed of taking.
116500	NC	Concord	1480 Concord Pkwy N	Sears not a named party to condemnation action as rights are with mall developer per Declaration. Sears to determine if it wants to pursue an inverse condemnation action.
1012	IA	De Moines		Taking of 1,848 square feet does not appear to affect or owned or leased parcels.
2677	LA	Bossier City		Sewer right of way acquisition (condemnation).
1077	LA	Shreveport		City needing permanent and temporary servitude re upgrading and replacement of sewer line. City is under consent decree with federal government to complete the project.
2374	NJ	Vineland		Potential condemnation by the local Landis Sewer Authority

RE ID	ST	Name	Address	Detail
1012	IA			Eminent domain action. Sears receipted a notice of appraisalment of damages and time for appeal.

2. The following litigation matters are pending or threatened with respect to the Owned Real Property:

RE ID	STATE	CITY	ADDRESS	DESCRIPTION
	CA	Arden		[Potential] Claim by mall owner that attempts to sell violate his ROFR
02374	NJ	Viceland		Sears, Roebuck and Co. v. (Commercial Development Company)
09676	OH	Streetsboro		Sears, Roebuck and Co. v. City of Streetsboro
44900	CA	Delano	Delano Industrial Park	Kmart Corporation v. Marketing & Printing Solutions Inc.
485700	CA	Desert Hot Springs	14011 Palm Drive	[Potential]
184000	IL	Chicago Ridge	6501 95th St	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
157000	IL	Schaumburg	2 Woodfield Mall	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
182000	IL	West Dundee	5000 Spring Hill Mall	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
146000	MI	Livonia	29500 7 Mile Rd	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
176000	MI	Novi	27600 Novi Rd	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
116500	NC	Concord	1480 Concord Pkwy N	Department of Transportation v. Carolina Mall, LLC, et al.
112000	OH	Dublin	5053 Tuttle Crossing Blvd	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
171000	OH	North Olmsted	5000 Great Northern Mall	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
1155	GA	Kennesaw	400 Ernest W Barrett Pkwy Nw	Claimant: Cathy Dunham
3088	WI	Kenosha	4100 52Nd St	Claimant: Scott Carter
1650	IN	Merriville	2300 Southlake Mall	Claimant: Rosemarie Ksiazek

3. The following listing is of pending property claims, for damages to buildings and FF&E, at the Owned Real Property:

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
01027		El Paso	TX			9/6/2018	P1809065106	600,000
01315		Chattanooga	TN			12/28/2018	P1812285002	1,000
01224	4600 Jonestown Road	Harrisburg	PA	Open Store	Owned	11/11/2018	P18111250690001	2,500
03853	Puerto Rico Hwy 3	Guayama	PR	Open Store	Owned	9/21/2017	P17092250390001	5,493,436
02191	6400 O Street	Lincoln	NE	Open Store	Owned	11/24/2018	P18112650090001	5,000
02191	6400 O Street	Lincoln	NE	Open Store	Owned	11/21/2018	P18112650080001	1,000
02515	1940 U.S. Highway 70 SE	Hickory	NC	Open Store	Owned	11/26/2018	P18112650350001	1,000
01590	4900 Fashion Square Mall	Saginaw	MI	Open Store	Owned	11/14/2018	P18111450170001	500
04206	2000 Ten Mile Road	Warren	MI	Open Store	Owned	9/20/2018	P18092050810001	500
03368	1625 West Redlands	Redlands	CA	Open Store	Owned	11/7/2018	P18110850780001	0
45056 a/k/a 8975	Road #176 KM 0.5 Cupey Bajo	Rio Piedras	PR	Non-Retail	Owned	9/21/2017	P17092150880001	1,100,000
01314	51 U.S. Highway 1	New Brunswick	NJ	Open Store	Owned	9/9/2018	P18090950440001	1,000
45056 a/k/a 8975	Road #176 KM 0.5 Cupey Bajo	Rio Piedras	PR	Non-Retail	Owned	10/16/2017	P17101651140001	0
01377	7925 Fm 1960 Road West	Houston	TX	Open Store	Owned	11/3/2018	P18110350160001	5,000
08292	655 West 52 nd Avenue	Ocala	FL	Non-Retail	Owned	9/12/2017	P17091551250001	120,000
01075	1700 West International Speedway Boulevard	Daytona Beach	FL	Open Store	Owned	9/10/2017	P17100650940001	4,500
01217	1305 Airline Road	Corpus Christi	TX	Open Store	Owned	10/19/2018	P18101950020001	25,000

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
01027		El Paso	TX			9/6/2018	P1809065106	600,000
01315		Chattanooga	TN			12/28/2018	P1812285002	1,000
01364	4 Smith Haven Mall	Lake Grove	NY	Open Store	Owned	7/16/2018	P18071750770001	
01175	777 E. Merritt Island Causeway	Merritt Island	FL	Open Store	Owned	9/12/2017	P17091250280001	20,000

4. The following are alleged unresolved code violations with respect to the Potential Acquired Assets:

Unit	Address	City	State	Comment
1018	3755 Santa Rosalia Dr	Baldwin Hills	CA	Fire code issues related to Reg 4/Threatened default by LL
1674	100 Main St	White Plains	NY	Notice of Violation/Escalator/Elevator not operable.
3711	1550 S. Burlington Blvd	Burlington	WA	Numerous fire code violations
49027		Round Rock	TX	Inspection deficiencies in Fire alarm; repairs currently scheduled.
68235		Phoenix	AZ	Citation/City of Phoenix - Pending dismissal from AZ Court/no fines, violations have been cleared.

5. The following issues affect the status of Owned Real Property

Store	Unit #	City	State	Status
MDO	8975	Rio Piedras	PR	2 year Co-Occupancy License Agreement being granted to Service.com upon SHIP APA Closing

Schedule 6.6(c)

1. Seller has made available leases and security deposit documents in Intralinks.
2. The following is a list of tenancies applicable to the Lease Premises.

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
1013	Glen Burnie	MD	Lands' End, Inc.	8,050	2014	1/31/2020
1024	Falls Church	VA	Bill Page Imports, Inc.	200 Parking Spaces	2014	9/30/2020
1024	Falls Church	VA	Lands' End, Inc.	7,472	2014	1/31/2020
1044	Jersey Cty/Newport	NJ	Lands' End, Inc.	5,411	2014	1/31/2020
1048	Pasadena	CA	FR Hastings Ranch, LLC		1984	4/29/2024
1048	Pasadena	CA	HomeGoods, Inc.	28,113	2012	4/29/2024
1048	Pasadena	CA	Lands' End, Inc.	7,168	2014	1/31/2020
1053	Saugus	MA	Lands' End, Inc.	5,565	2014	1/31/2020
1073	Exton	PA	Lands' End, Inc.	9,039	2014	10/5/2019
1088	Glendale	CA	Star Parking Management, Inc.		2015	4/30/2021
1092	Westland(Detroit)	MI	Auto Accessories USA	15,324	2018	4/30/2022
1094	Hackensack	NJ	ALDI Inc (Pennsylvania)	55,718	2014	5/31/2032
1111	Colorado Spgs	CO	Univest-Btc S&R LLC		2004	11/30/2025
1125	Miami	FL	Goodwill Industries Of South Florida	208	2014	2/28/2019
1133	Leominster	MA	Lands' End, Inc.	7,483	2014	1/31/2020
1139	Tukwila	WA	Lands' End, Inc.	7,216	2014	1/31/2020
1148	Ventura	CA	Lands' End, Inc.	6,691	2014	1/31/2020
1154	Whitehall	PA	Lands' End, Inc.	7,401	2014	1/31/2020
1170	Lansing	MI	Lands' End, Inc.	9,553	2014	11/30/2019
1195	Ft Lauderdale	FL	Greenstar Corp	26,000	1954	2/28/2026
1210	Columbus/Polaris	OH	Lands' End, Inc.	6,611	2014	1/31/2020
1213	Auburn	MA	Lands' End, Inc.	7,269	2014	1/31/2019

<u>Store #</u>	<u>City</u>	<u>ST</u>	<u>Tenant Legal Entity Name</u>	<u>Tenant Sq. Ft</u>	<u>Tenant Lease Year Executed</u>	<u>Tenant Lease Expiration Date</u>
1221	Colorado Springs	CO	Lands' End, Inc.	5,076	2014	1/31/2019
1243	Hanover	MA	Lands' End, Inc.	11,168	2014	1/31/2019
1248	Hayward	CA	Wells Fargo Bank	4,247	1975	10/1/2018
1248	Hayward	CA	Sears Outlet Stores, LLC	48,434	2012	1/31/2022
1268 ⁶	Buena Park	CA	Newkoa, LLC	542 Parking Spaces	1980	9/30/2049
1268	Buena Park	CA	Newkoa, LLC		2013	9/30/2019
1274	Richmond/Chesterfield	VA	Lands' End, Inc.	7,551	2014	1/31/2020
1278 ⁷	Torrance	CA	Fourth Searsvale Properties Inc		1979	
1278	Torrance	CA	Del Amo Mills LP	87,800	1980	6/30/2049
1278	Torrance	CA	First States Investors Realty LLC	35,000	1983	6/30/2019
1278	Torrance	CA	Lands' End, Inc.	7,489	2014	1/31/2020
1283	Braintree	MA	Lands' End, Inc.	8,694	2014	1/31/2020
1283	Braintree	MA	Primark Us Corp.	70,816	2014	11/30/2024
1284	Alexandria	VA	Lands' End, Inc.	9,608	2014	1/31/2020
1288	Stockton	CA	Weberstown Mall LLC	3,480	1985	1/31/2023
1304	Silver Spring	MD	Lands' End, Inc.	4,973	2014	1/31/2019
1309	Downey	CA	Macerich Stonewood LLC		2002	1/31/2051
1313	Nashua	NH	Lands' End, Inc.	7,573	2014	1/31/2019
1317	El Paso	TX	Celina Development Company	3,856	1981	6/30/2020
1333	Poughkeepsie	NY	Lands' End, Inc.	5,523	2014	1/31/2019

⁶ Owned/Lease

⁷ Owned/Ground Lease

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1335	Greensboro	NC	Chick-Fil-A Inc	54,450	2001	1/31/2023
1335	Greensboro	NC	Whole Foods Market Inc.	34,364	2010	1/31/2028
1335	Greensboro	NC	Lands' End, Inc.	5,856	2014	1/31/2020
1368	Concord	CA	Thomas A Morabito Trustee & Francis J Morabito, Trustee of the Morabito Family Trust Dated 4-14-88	18,000	1985	10/30/2061
1368	Concord	CA	Sun Valley Associates		2005	10/19/2026
1368	Concord	CA	Lands' End, Inc.	9,947	2014	1/31/2019
1374	Bel Air	MD	Macy's, Inc.	24,599	2003	9/30/2021
1374	Bel Air	MD	Lands' End, Inc.	6,517	2014	1/31/2020
1378	Orange	CA	The Village at Orange, LLC	28,600	1993	5/31/2024
1378	Orange	CA	24 Hour Fitness USA Inc.	54,462	2011	2/29/2024
1378	Orange	CA	Lutheran High School of Orange County	100 Parking Spaces	2012	6/30/2019
1404	Massapequa	NY	Lands' End, Inc.	6,997	2014	1/31/2020
1463	Burlington	VT	Lands' End, Inc.	7,315	2014	1/31/2020
1478	San Bruno	CA	Lands' End, Inc.	8,698	2014	1/31/2019
1494	Moorestown	NJ	Lands' End, Inc.	8,126	2014	1/31/2020
1644	Lancaster	PA	Lands' End, Inc.	8,635	2014	1/31/2020
1654	Media	PA	Lands' End, Inc.	8,919	2014	1/31/2020
1654	Media	PA	Granite Run Buick GMC		2017	12/31/2018
1684	Woodbridge	NJ	Cellco Partnership	8,070	1987	7/31/2021
1722	Bloomington	MN	Lands' End, Inc.	8,564	2014	1/31/2020

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1725	Annapolis	MD	Lands' End, Inc.	8,588	2014	1/31/2019
1733	Yonkers	NY	Lands' End, Inc.	6,664	2014	1/31/2020
1754	Gaithersburg	MD	Lands' End, Inc.	8,839	2014	1/31/2020
1754	Gaithersburg	MD	Sears Home Improvement Products, Inc. (Embedded)	10,000		
1810	Cincinnati	OH	Lands' End, Inc.	8,305	2014	1/31/2020
1834	North Wales	PA	Lands' End, Inc.	9,819	2014	1/31/2020
1984	Buffalo/Hamburg	NY	Lands' End, Inc.	8,118	2014	1/31/2019
2023	Concord	NH	Lands' End, Inc.	6,718	2014	1/31/2019
2027	Wasilla	AK	Lands' End, Inc.	7,063	2014	1/31/2019
2049	Everett	WA	Brixton Everett, LLC		2008	12/31/2018
2049	Everett	WA	Brixton Everett, LLC		2015	6/30/2019
2085	Fajardo	PR	Sears, Roebuck de Puerto Rico, Inc.	24,536	1986	9/30/2023
2373	No Dartmouth	MA	Lands' End, Inc.	4,076	2014	1/31/2019
2395	Manassas	VA	Lands' End, Inc.	7,407	2014	6/14/2019
2435	Charlottesville	VA	Lands' End, Inc.	6,125	2014	1/31/2020
2694	Fredericksburg	VA	Lands' End, Inc.	5,347	2014	1/31/2020
3029	Erlanger	KY	Sinkula Investments, Ltd.	3,500	1984	10/31/2022
3029	Erlanger	KY	EDGEWOOD PLAZA HOLDINGS, LLC			11/30/2022
3040	Hyannis	MA	The Paper Store, LLC		2017	3/31/2023
3074	Miami	FL	Split rent for AmFoods		0	6/30/2022
3074	Miami	FL	AmFoods LLLC	2,430	1987	6/30/2022
3127	Temple City	CA	H. Demirjian, Inc.	5,151	2014	11/30/2022

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3136	Shillington	PA	Amelia's LLC		2013	7/31/2019
3172	Hagerstown	MD	Fazou's Restaurant	3,246	2000	9/30/2019
3235	West Covina	CA	Sears Outlet Stores, LLC	17,310	2012	4/20/2022
3235	West Covina	CA	Filza Khan	3,400	2015	3/31/2022
3286	Brunswick	OH	GREF II REIT,LLC		0	12/31/2019
3286	Brunswick	OH	Jud's Best Discount Muffler & Brake, Inc.	3,035	2010	3/30/2020
3379	Waterford	MI	Lou Dallo	3,701	2008	2/28/2021
3412	Salinas	CA	Rexfor Title, Inc.		2013	1/31/2034
3471	Chesapeake	VA	Sears Outlet Stores, LLC	33,137	2012	10/31/2020
3499	Kearny	NJ	Modell's NJ II., Inc.		2013	4/30/2021
3725	Watsonville/Freedom	CA	Dora M. Espindola (DBA "Designing Cut")	1,050	1994	6/30/2018
3725	Watsonville/Freedom	CA	Advance America, Cash Advance Centers of California LLC	1,400	1998	1/31/2021
3725	Watsonville/Freedom	CA	Foodmaker, Inc. (DBA "Jack in the Box")	2,800	1998	7/30/2019
3725	Watsonville/Freedom	CA	Louis Hong D.D.S (DBA "Freedom Dental")	1,750	2000	7/31/2020
3725	Watsonville/Freedom	CA	Richard E. Turner and Joanne K. Turner (DBA "The 99 Cent Store")	2,800	2007	10/31/2018
3725	Watsonville/Freedom	CA	Tina Dang (DBA "D&L Nails")	1,366	2007	1/31/2021
3725	Watsonville/Freedom	CA	Hein Thuy le and Hoa Le (DBA "Whispering Pines Dry Cleaners")	1,200	2014	2/28/2019
3725	Watsonville/Freedom	CA	Split rent for The 99 Cent Store			10/31/2018
3748	Hollister	CA	Crystal TV, Inc. / Radio Shack Licensed Dealer	2,300	2007	3/31/2020

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3748	Hollister	CA	VIP Wireless, Inc., MetroPCS Authorized Dealer	2,800	2016	10/21/2020
3785	Tabb	VA	Chick-Fil-A Inc.	54,860	2000	3/31/2021
3785	Tabb	VA	Kroger Limited Partnership I	92,348	2014	9/30/2033
3785	Tabb	VA	Kroger Limited Partnership I	37,268	2014	9/30/2033
3785	Tabb	VA	Restaurant Property Investors II LLC c/o Burger Busters Inc. (DBA "Taco Bell")	38,768	2015	9/30/2033
4022	Grand Forks	ND	Hometown Automotive Repair LLC	4,620	2010	8/31/2019
4057	Fargo	ND	NDM Restaurants (DBA "Burger King")	5,000	1976	6/30/2018
4057	Fargo	ND	Dakota Tire Service, Inc	4,000	2004	3/31/2019
4113	Erie	PA	Erie Physicians Network ~ UPMC, Inc	7,760	2008	11/30/2020
4170	Rapid City	SD	MTS Enterprises LLC (DBA "Tiretech")	2,914	2010	2/28/2019
4214	Des Plaines	IL	(DBA "Eddies Restaurant CO")	3,205	1988	7/31/2022
4214	Des Plaines	IL	The Twins Group, Inc. (DBA "Taco Bell")		1988	10/31/2018
4214	Des Plaines	IL	(DBA "Quick Service Auto")	4,192	2008	11/30/2022
4214	Des Plaines	IL	Split rent w/ ML for Eddie's Restaurant Co.- Lasalle Bank Na Trust #54625 D			7/31/2022
4272	Bismarck	ND	McDonalds Corp.	5,000	1984	8/20/2020
4272	Bismarck	ND	Split rent for Mc Donald's			10/31/2019
4351	Rochester	MN	Salvation Army	20,000	2004	11/30/2020
4381	Bridgeview	IL	Sears Outlet Stores, LLC	11,576	2012	1/31/2021

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4389	Mc Allen	TX	Big Lots Stores Inc #01544B	22,755	2000	11/30/2019
4399	Silver Springs	MD	DavCo Food, Inc. (DBA "Wendy's")	2,453	1990	10/31/2018
4421	North Hollywood	CA	Successor in interest to Pic N Save (DBA "Big Lots Stores Inc.")	20,000	1970	3/31/2021
4421	North Hollywood	CA	Paul Jardin of USA, Inc. (DBA "3 Day Suit Broker")	11,000	1986	3/30/2021
4478	Trenton/Hamilton	NJ	Briemor Operating Partnership			6/30/2020
4494	Trujillo Alto	PR	RD Management Corporation	4,100	1985	5/31/2024
7030	Kalispell	MT	Burger King Corporation	4,000	1999	5/5/2020
7030	Kalispell	MT	Split Rent for Burger King Sublease		1999	5/5/2020
7030	Kalispell	MT	Evergreen Chamber of Commerce		2013	7/31/2019
7033	Lewiston	ID	Split rent for Wendy's outlot		0	2/28/2015
7033	Lewiston	ID	Dale F. Nagy/Picadilly Investment Properties (DBA "Wendy's")	3,000	1984	2/28/2015
7042	Valparaiso	IN	BR Associates Inc (DBA "Long John Silver Seafood Shoppes")	35,875	1977	12/31/2018
7783	San Juan (Hato Rey)	PR	Marketing & Printing Solutions, Inc.	695	2010	11/30/2018
8206	Nashville	TN	Sears Outlet Stores, LLC	70,227	2012	12/31/2022
8262	Naperville	IL	Dart Warehouse Corporation		2011	12/31/2020
8273	Lawrence	KS	(DBA "Berry Plastics Corporation")	100 Parking Spaces	2013	10/15/2018
8724	Pittsburgh	PA	Sears Outlet Stores, LLC	44,215	2012	12/31/2022
8744	Allentown	PA	Fedex Ground Package System Inc	50 Trailers	2015	1/31/2019

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8768	Sacramento	CA	Sears Outlet Stores, LLC	43,063	2012	12/31/2018
8818	Pearl City	HI	Bethany Korean United Methodist Church	9,096	2011	4/30/2021
8818	Pearl City	HI	Sears Outlet Stores, LLC	28,978	2012	12/31/2022
8937	Tucson	AZ	Sims Recycling Solutions Inc.	6,000	2012	12/31/2020
9413	West Orange	NJ	Dollar Tree Stores, Inc. #3811	10,280	1981	1/31/2022
9413	West Orange	NJ	Eyeglass Service Industries, Inc.	800	1981	10/31/2014
9413	West Orange	NJ	Staples, Inc. #0168	19,740	1988	2/28/2017
9420	Bronx	NY	David's Check Cashing, Inc.	722	2008	11/20/2018
9420	Bronx	NY	G-Maxx Home of Bruckner, LLC	5,138	2009	10/31/2014
9420	Bronx	NY	Sears, Roebuck and Co.	2,736	2018	11/30/2023
9420	Bronx	NY	Burlington Coat Factory of California LLC		2018	
9423	Bridgehampton	NY	Lands' End, Inc.		2014	1/31/2016
9693	Marine City	MI	Frank Koehldorfer (DBA "Marine City Auto Care")	3,216	2010	2/28/2019
1280	Springdale	OH	Tri-County Mall LLC	4,316		7/31/2024
2138	Santa Barbara	CA	Sprint PCS Assets, LLC			6/30/2019
3018	Valencia	CA	Magic Auto Center	4,406		3/30/2022
3018	Valencia	CA	McDonalds Corp L/C 004-1368	5,000		5/31/2022
3018	Valencia	CA	Simply Discount Furniture	79,699		5/31/2022
3116	Wilmington (Store Closing)	NC	Jack A. Sneed Corporation	5,604		6/30/2023
3239	Kansas City	MO	Zeller Auto Repair	4,201		8/31/2020
3239	Kansas City	MO	Advance America	1,480		1/31/2020

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3239	Kansas City	MO	Barbers Plus	1,600		12/31/2018*
3239	Kansas City	MO	H & R Block	2,400		4/30/2019
3239	Kansas City	MO	Big Bowl Pho	2,400		4/30/2022
3239	Kansas City	MO	Papa John's	2,000		6/30/2021
3239	Kansas City	MO	Tasty Thai	2,000		3/31/2020
3361	Allentown	PA	Floreff LLC & Nathan & Alison LLC			5/31/2023
3371	Chicago	IL	AGC Addison Owner, LLC			4/1/2019
3447	Clive	IA	At Home Stores, LLC	90,000		1/31/2021
3483	Ontario	CA	Wolf Family Series LP	11,000		5/31/2020
3793	Miami	FL	Goodwill	208		9/30/2019
4064	N Versailles	PA	Burger King Corporation	2,750		11/24/2020
4215	Kansas City	KS	Xiao Jun Song and Liu Y Lin	11,408		1/31/2019
4433	Quincy	IL	Gengenbacher Ice Shack			10/31/2018*
4450	Raleigh	NC	Choice Auto Repair	4,581		9/30/2021
4450	Raleigh	NC	Grand Slam USA	20,000		9/30/2021
4455	Beaverton	OR	Glowing Greens, LLC	20,000		7/31/2018
4455	Beaverton	OR	Beaverton Mart Company			8/31/2022
4455	Beaverton	OR	Carr Auto Group			4/30/2019
7067	Ft. Meyers	FL	Floor & Decor	75,200		8/31/2026
7259	Williamsburg	VA	New Oriental Crafts, LLC	3,200		10/31/2019
7259	Williamsburg	VA	H & R Block	1,600		4/30/2019
7259	Williamsburg	VA	International Styles	1,200		9/30/2019

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7259	Williamsburg	VA	New Oriental Crafts, LLC	2,000		10/31/2019
7259	Williamsburg	VA	Tu Tienda and Gifts	5,160		8/30/2019
7259	Williamsburg	VA	Williamsburg Peking Corp	9,560		9/30/2019
7274	Mauldin	SC	Mauldin at Butler, LLC (Hughes Development)			3/31/2019
7324	O'Fallon	MO	At Home Stores, LLC	87,314		11/29/2020
8065	Miami	FL	Miami Hotel Enterprise LLC	50 Parking Spaces		11/14/2019
8065	Miami	FL	Sears Home Improvement Products, Inc. (Embedded)	1,000		
8398	San Jose	CA	Beacon Sales Acquisition, Inc.	37,500		10/31/2023
9348	Norridge	IL	Darden/Longhorn Steakhouse			3/31/2021
9354	Griffin	IN	El Centro Mall, Ltd.			
30936	Tinley Park	IL	Bettenhausen Automotive	250 Parking Spaces		8/6/2018*
30936	Tinley Park	IL	Ziegler Nissan of Orland Park	250 Parking Spaces		3/20/2019
30938	Glendale	AZ	Living Spaces	126,164		4/30/2024
30969	San Leandro	CA	Living Spaces	91,905		11/30/2022
31882	San Diego	CA	Lucky Star Seafood Restaurant	11,000		4/30/2019
31882	San Diego	CA	Northgate Gonzalez Markets	41,371		7/31/2023
31882	San Diego	CA	Burlington Coat Factory	63,900		2/28/2025
61901	Scottsdale	AZ	Living Spaces Furniture, LLC	133,120		9/30/2024
62529	San Diego	CA	Zion Market San Diego Inc.	94,500		12/31/2023
62707	Springfield	MO	David's Bridal Inc	12,370		1/31/2019

2. The following is a list of security deposits applicable to the:

A. Owned Real Property

PS Unit#	Lease	City	State	Landlord/Tenant name	Paid (Received) Amount
Sears					
3966	29976	APPLE VALLEY	CA	VIRGINIA BARNICOAT AND DAVID B	(1,166.67)
3966	33059	APPLE VALLEY	CA	MINA PATEL DBA APPLE VALLEY SM	(1,806.00)
3966	35548	APPLE VALLEY	CA	DIEM HONG NGO	(340.00)
3966	35548	APPLE VALLEY	CA	DIEM HONG NGO	(525.85)
01314	01314 01C	NEW BRUNSWICK	NJ	NEW BRUNSWICK RESTAURANT LLC	(21,666.66)
01710	01710 01C	NORTH OLMSTED	OH	GEORGE GROUP - GREAT NORTHERN LTD, AN OHIO LTD	(22,183.98)
02183	02183 01B	S PORTLAND	ME	OTB ACQUISITION LLC	(22,500.00)
45115	08702 43A	MINNEAPOLIS	MN	BEAUPRE AERIAL EQUIPMENT	(3,333.00)
45162	08717 48D	HOUSTON	TX	HOLLIDAY DOOR & GATE LLC	(3,500.00)
26731	26731 08B	MANAKIN SABOT	VA	SAWYER BUSINESS GROUP INC	(3,585.00)
Kmart					
3088	36116	KENOSHA	WI	METRO PCS	(1,800.00)
3722	35477	BURLINGTON	WA	RENT-A-CENTER WEST, INC.	(3,734.13)
3722	35457	BURLINGTON	WA	HI-TEK NAILS	(4,234.00)
9255	34822	PALMER	MA	GIL'S GYM AND RACQUET HEALTH C	(14,997.75)
26185	35269	CLARKSVILLE	IN	PEDDLERS MALL, LLC	(19,000.00)
3544	35422	SALEM	VA	WEST MAIN HAIR SALON	(1,866.66)
3544	34984	SALEM	VA	NAIL TIPS	(1,251.00)
3544	34988	SALEM	VA	UPS STORE	(1,533.33)
30934	35159	MEMPHIS	TN	TENNESSEE CASH CONNECTION, LLC	(1,498.00)

B. Leased Properties

PS Unit#	Lease	City	State	Landlord/Tenant name	Paid (Received) Amount
Sears					

25016	25016 44D	COLUMBUS	OH	BROWNING POLARIS, LLC	18,657.74
07595	07595 16A	GAHANNA	OH	MHI OHIO CC III LLC	4,331.25
01678	01678 10A	CARLSBAD	CA	RPI CARLSBAD, L.P.	75,000.00
45145	08901 48A	BENICIA	CA	ICON NEWCO POOL 1 SF NON-BUS PARKS	57,912.24
45146	08868 48A	MILPITAS	CA	PSB N CA INDUSTRIAL PORTFOLIO LLC	23,233.69
7979	07979 15B	JACKSONVILLE	FL	TOWN CENTER STORAGE	37,200.00
45359	08004 48D	SPOKANE	WA	NEW AFC REALITY LLC	12,467.00
45415	08709 73B	KENT	WA	CENTERPOINT PROPERTIES TRUST	553,922.66
9507	09507 11B	SAN ANTONIO	TX	COPT SA TECHNOLOGY C	56,669.92
08162	08162 15B	EDEN PRAIRIE	MN	EDEN PRAIRIE ASSOCIATES LLC	6,560.25
01092	01092 05A	WAYNE	MI	AUTO ACCESSORIES USA INC	(14,600.00)
45167	08818 48C	PEARL CITY	HI	BETHANY KOREAN UNITED METHODIST CHURCH	(22,740.00)
8369	08369 15E	SANTA ANA	CA	ATLAS INTERNATIONAL INC	(22,650.00)
8398	08398 15B	SAN JOSE	CA	ROOFING SUPPLY GROUP - BAY AREA LLC	(50,000.00)
Kmart					
3127	36019	TEMPLE CITY	CA	CROWN CITY AUTOMOTIVE	(12,997.70)
3235	36970	WEST COVINA	CA	PURRFECT AUTO SERVICE	(10,999.00)
3286	35669	BRUNSWICK	OH	JUD'S BEST DISCOUNT MUFFLER &	(2,100.00)
3379	35119	WATERFORD	MI	M & L AUTO	(4,934.66)
3725	29334	FREEDOM	CA	RICHARD & JOANNE TURNER (99 CE	(6,160.00)
3725	29336	FREEDOM	CA	JOSE & DORA ESPINDOLA (DESIGN	(2,730.00)
3725	29337	FREEDOM	CA	LOUIS HONG D.D.S	(3,500.00)
3725	29343	FREEDOM	CA	ADVANCE AM CASH CENTERS	(1,540.00)
3725	34757	FREEDOM	CA	D&L NAILS	(4,917.60)
3725	35894	FREEDOM	CA	WHISPERING PINES DRY CLEANERS	(2,000.00)
3748	29345	HOLLISTER	CA	CRYSTAL TV, INC.	(2,875.00)
3748	37149	HOLLISTER	CA	VIP WIRELESS, INC.	(7,466.66)
4022	35363	GRAND FORKS	ND	HOMETOWN AUTOMOTIVE REPAIR LLC	(2,310.00)
4057	33593	FARGO	ND	DAKOTA TIRE SERVICE, INC	(4,400.00)
4113	35763	ERIE	PA	ERIE PHYSICIANS NETWORK-UPMC,	(8,907.50)
4170	35306	RAPID CITY	SD	TIRETECH	(1,214.17)
4214	35045	DES PLAINES	IL	QUICK SERVICE AUTO	(7,685.34)
4351	34636	ROCHESTER	MN	SALVATION ARMY	(5,000.00)

9420	35597	BRONX	NY	G-MAXX HOME OF BRUCKNER, LLC	(22,936.57)
9420	27016	BRONX	NY	DAVID'S CHECK CASHING, INC	(7,600.00)
9693	35463	MARINE CITY	MI	MARINE CITY AUTO CARE	(4,598.88)
3018	35326	VALENCIA	CA	MAGIC AUTO CENTER	(11,015.00)
3127	36019	TEMPLE CITY	CA	CROWN CITY AUTOMOTIVE	(12,997.70)
3235	36970	WEST COVINA	CA	PURRFECT AUTO SERVICE	(10,999.00)
3239	35458	KANSAS CITY	MO	KEN ZELLER/ZELLER AUTO REPAIR,	(6,301.50)
3239	33598	KANSAS CITY	MO	TASTY THAI	(1,666.67)
3239	33602	KANSAS CITY	MO	BARBERS PLUS	(700.00)
3239	33603	KANSAS CITY	MO	ADVANCE AMERICA CASH	(1,171.67)
3239	35643	KANSAS CITY	MO	RG THRIFT STORE LLC	(2,800.00)
3239	35950	KANSAS CITY	MO	M & D ENTERPRISES, INC.	(6,144.00)
4022	35363	GRAND FORKS	ND	HOMETOWN AUTOMOTIVE REPAIR LLC	(2,310.00)
4113	35763	ERIE	PA	ERIE PHYSICIANS NETWORK-UPMC,	(8,907.50)
4170	35306	RAPID CITY	SD	TIRETECH	(1,214.17)
4215	27610	KANSAS CITY	KS	XIAO JUN SONG AND LIU Y LIN	(5,000.00)
4351	34636	ROCHESTER	MN	SALVATION ARMY	(5,000.00)
4450	35061	RALEIGH	NC	CHOICE AUTO REPAIR	(6,489.72)
4455	35839	BEAVERTON	OR	GLOWING GREEN, LLC	(8,000.00)
7259	29383	WILLIAMSBURG	VA	WILLIAMSBURG PEKING CORP	(15,817.62)
7259	34571	WILLIAMSBURG	VA	KING'S CREEK PLANTATION LLC	(2,000.00)
7259	35465	WILLIAMSBURG	VA	NEW ORIENTAL CRAFTS, LLC	(2,500.00)
7259	35722	WILLIAMSBURG	VA	DPE INC,	(2,400.00)

3. The Following issues affect the status of Lease Premises.

Store	Unit #	City	State	Status
Kmart	30938	Glendale	AZ	Lease renewal sent extending term to 04/30/2024.
Sears	1098	Clovis	CA	A 60 day stay letter was sent and Seller exercised its 5 year renewal option

Store	Unit #	City	State	Status
Kmart	7390	McKinleyville	CA	At landlord, Seritage's, request, Seller, as tenant, has signed a bifurcated lease but Seller has not received countersignature by landlord (Seritage likely selling property).
Sears	2829	Victorville	CA	A 60 day stay letter was sent and Seller exercised its 5 year renewal option
Sears	2068	Visalia	CA	Lease amendment pending re setting of rent amounts for 3 year renewal option as lease provides for renewal rent to be set at FMV (current lease expires 05/31/19); At landlord, Seritage's, request, Seller, as tenant, has signed a bifurcated lease but Seller has not received countersignature by landlord (Seritage likely selling property).
Sears	8065	Miami	FL	6 month Co-Occupancy License Agreement being granted to Service.com upon SHIP APA Closing
MDO	8920	Louisville	KY	Renewal was due by 10/30/18. 10/31/18 letter to landlord re BK and reservation of right to exercise renewal. LL sent notice dated 12/1/18 terminating tenant renewal
Sears	1053	Saugus	MA	Landlord has issued a notice of partial recapture.
Sears	1754	Gaithersburg	MD	6 month Co-Occupancy License Agreement being granted to Service.com upon SHIP APA Closing
Kmart	7035	Farmington	NM	Seller and Seritage, landlord, have signed a bifurcated lease (Seritage likely selling property).
Kmart	7016	Hobbs	NM	Seller and Seritage, landlord, have signed a bifurcated lease (Seritage likely selling property); landlord has issued a notice of partial recapture.
Kmart	4871	Farmingville	NY	A 60 day stay letter was sent and Seller exercised its 5 year renewal option, however, LL is contesting the validity of the renewal notice.

Store	Unit #	City	State	Status
	5864	Las Vegas	NV	Term of lease expired 08/31/18; lease provides that tenancy goes to month to month after term expires. Negotiating new lease with Landlord.
Kmart	3266	Edwardsville	PA	A 60 day stay letter was sent and Seller exercised its 5 year renewal option
Kmart	3268	Wilkes Barre	PA	A 60 day stay letter was sent and Seller exercised its 5 year renewal option, however, LL is contesting the validity of the renewal notice
Sears	2355	Hatillo	PR	A 60 day stay letter was sent and Seller exercised its 5 year renewal option.
Sears	1905	San Juan	PR	2 year Co-Occupancy License Agreement being granted to Service.com upon SHIP APA Closing
Sears	1575	Hampton	VA	At landlord, Seritage's, request, Seller, as tenant, has signed a bifurcated lease but Seller has not received countersignature by landlord (Seritage likely selling property).

Schedule 6.6(d)

1. The following lease defaults have been alleged against the Leased Properties and remain unresolved:

RE ID	ST	Name	Address	Detail
704200	IN	Valparaiso	2801 Calumet Ave	Default Notice – Alleged failure to pay ATM rent of \$15, 638.71 and 2016 RE Taxes of \$34,886.76, and 2017 taxes owed for \$9,230.90
885100	MA	Westwood	349 University Ave	Default Notice – Alleged failure to pay rent
980800	MT	Hamilton	1235 North First Street	Default Notice - October rent NSF and returned.
720800	NC	Clemmons	2455 Lewisville-Clemmon	Deferred Maintenance Notice – alleged failure to maintain: parking lot, exterior walls, curbs, down spouts, bollards.
487100	NY	Farmingville	2280 North Ocean Ave.	Default Notice – Alleged failure to properly maintain Premises and portions of the Common Area. Landlord is seeking an order by the BK Court declaring that the automatic stay is inapplicable to the lease in question based on an alleged default by Tenant and asserts that the lease expired by its terms on October 23, 2018. Landlord is arguing that because the lease terminated by its terms on October 23, 2018, the automatic stay does not apply to the lease in question and Landlord is seeking a declaration from the Court stating as such and that the lease is not property of the Debtors' estates.
882300	VA	Dulles	45065 Old Ox Rd	Default Notice – Alleged failure to maintain building.
883600	VA	Richmond	4100 Tomlyn St	Default Notice - Failure to pay CAM
173800	HI	Kaneohe(Sur)	46-056 Kamehameha Hwy	Default Notice – Nonpayment of rent
777700	NY	New York	770 Broadway	Rent Dispute
932800	CA	Long Beach	2900 Bellflower Blvd	Possible lease default alleged;
700600	ID	Twin Falls	2258 Addison Ave East	Landlord claims Tenant has breached lease by (i) building addition over property line and (ii) obligations related to installation and removal of underground storage

RE ID	ST	Name	Address	Detail
				tanks. Landlord has filed motion in BK proceeding to compel the Debtors to reject the lease associated with this location or, in the alternative, establish a deadline by which the Debtors must assume and cure all defaults or reject the lease.
2537	TX	Harlington		Rent dispute with Landlord re correct amount of rent that is owed, including utility charges
30961	NC	Greensboro		Dispute regarding maintenance of roof
3725	CA	Freedom	1702 Freedom Boulevard	Dispute regarding payment of additional rent and delivery of subtenant rent reports.
3202	NJ	Westwood	700-732 Broadway	Alleged failure to pay additional rent for real-estate taxes in the amount of \$119,799.29.

2. With respect to factual matters that could give rise to an event of default after the giving of notice and the passage of any applicable cure period, Item 16 of Schedule 6.5 is hereby incorporated by reference.

3. The following listing is of pending property claims for damage to buildings and FF&E at the Lease Premises, which could give rise to an event of default after the giving of notice and the passage of time:

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
03692		Oconomowoc	WI			8/31/2018	P1808315017	1,000
03750		Waupaca	WI			9/20/2018	P1809215022	1,000
01575		Newport News	VA			10/12/2018	P1810125008	3,000
01814		Fairfax	VA			10/26/2018	P181026578	0
02147		Irving	TX			2/21/2018	P1802215013	1,000,000
01247		Lubbock	TX			5/30/2018	P1806085128	1,276,710.45
03853		Guayama	PR			9/21/2017	P1709225039	5,493,436

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
04490		Guaynabo	PR			9/20/2017	P1709215105	15,939
03896		San German				9/20/20177	P1710115032	1,360,000.45
01935		Mayaguez	PR			9/20/2017	P1710025033	191,843.39
07293		Clifton Heights	PA			12/13/2018	P1812135064	10,000
01154		Whitehall	PA			9/4/2018	P1809055062	3,000
03527		Philadelphia	PA			11/16/18	P1811165001	2,500
02494		Altoona	PA			1/5/2019	P1901065007	0
03600		Schenectady	NY			10/9/2018	P1810115031	1,000
01668		Las Vegas	NV			11/13/2018	P1811135043	7,500
04112		Asheville	NC			9/13/2018	P1809135056	1,000
04450		Raleigh	NC			12/10/2018	P1812105001	0
08319		Charlotte	NC			11/29/2018	P1811295040	500
01403		Natick	MA			12/19/2018	P1812215036	0
03288		Billerica	MA			1/6/2019	P1901075009	0
04215		Kansas City	KS			8/31/2018	P1809055014	1,000
01740		Joliet	IL			12/21/2018	P1812215050	1,000
02805		Panama City	FL			10/10/2018	P1811095002	0
07321		Bradenton	FL			9/12/2017	P1709185056	10,000
04893		Ellenton	FL			9/10/2017	P1709115098	3,123.18
03424		Gainesville	FL			12/7/2018	P1812075016	500
01755		Boynton Beach	FL			9/11/17	P1709125057	17,263
03235		West Covina	CA			12/7/18	P1812075016	500

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
01408		Sacramento	CA			11/3/2018	P1811035047	500
01618		Modesto	CA			6/18/2018	P1806195001	242,000
03483		Ontario	CAN			10/22/2018	P1810235033	1,000
03405	10 W. Lake Street	Minneapolis	MN	Open Store	GL	9/29/2018	P18100950350001	1,000
01085	Intersection of State Roads Pr 1 & Pr 156	Caguas	PR	Open Store	Lease	9/6/2017	P17090850990001	0
02675	Road 3 KML34.7	Guayama	PR	Open Store	Lease	9/21/2017	P17092250450001	1,566,308
07788	Pr 167 & Las Cumbres	Bayamon	PR	Open Store	Lease	9/20/2017	P17092250650001	849,407
07419	Rafael Cordero & Hwy 30	Caguas	PR	Open Store	Lease	9/20/2017	P17092250620001	292,399
07570	Plaza Rio Hondo & Comerio Ave	Bayamon	PR	Open Store	Lease	9/21/2017	P17092250510001	222,810
07741	2643 Ponce Bypass	Ponce	PR	Open Store	Lease	9/20/2017	P17092250640001	278,379
03829	26-A Tutu Park Mall	St Thomas	VI	Open Store	Lease	9/6/2017	P17092050090001	1
01024	6211 Leesburg Pike	Falls Church	VA	Open Store	Lease	8/31/2018	P18090150060001	
45091 a/k/a 8720	2065 George Street	Melrose	IL	Non-Retail	Lease	11/3/2018	P18110350310001	0
01668	4000 Meadow Lane	Las Vegas	NV	Open Store	Lease	11/13/2018	P18111350430001	7,500
04457	26231 Mission Blvd.	Hayward	CA	Open Store	GL	12/1/2018	P18120150500001	500
01274	11500 Midlothian Turnpike	Richmond	VA	Open Store	GL	12/3/2018	P18120450040001	500
04457	26231 Mission Blvd.	Hayward	CA	Open Store	GL	9/20/2018	P18092050920001	1,000
07566	State Road 2 Km 80.2	Arecibo	PR	Open Store	Lease	10/7/2018	P18100850050001	7,000
07639	895 Faulkner Road	Santa Paula	CA	Open Store	Lease	11/9/2018	P18110950210001	500
02355	506 Calle Truncado	Hatillo	PR	Open Store	GL	7/25/2018	P18072551180001	

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
01765	3101 PGA Blvd.	Palm Beach Gardens	FL	Open Store	GL	10/1/2018	P181001513 20001	1,000
07570	Plaza Rio Holdo & Comerio Ave.	Bayamon	PR	Open Store	Lease	8/20/2018	P180820507 10001	200
09551	6600 Clark Road	Paradise	CA	Open Store	Lease	11/8/2018	P181108504 80001	10,000
07413	Remainder Matriculate #1	St Croix	VI	Open Store	Lease	11/11/2018	P181112503 90001	15,000
45168 a/k/a 8825	3825 Forsyth Road	Winter Park	FL	Non-Retail	Lease	11/27/2018	P181128500 30001	5,000
04389	1801 South 10 th Street	Mc Allen	TX	Open Store	Lease	10/31/2018	P181031505 20001	500
01905	Avenue F D Roosevelt	San Juan	PR	Open Store	GL	9/20/2017	P170921509 80001	166,151
04732	Road 2 Km 126.5	Aquadilla	PR	Open Store	Lease	9/20/2017	P171012502 40001	75,789
03842	175 Maag Avenue	Oakdale	CA	Open Store	Lease	11/30/2018	P181130504 60001	1,000
45438 a/k/a 8870	1600 Roe Street	Dallas	TX	Non-Retail	Lease	11/19/2018	P181121501 60001	0
01644	200 Park City Center	Lancaster	PA	Open Store	GL	11/13/2018	P181113500 10001	150,000
01935	975 Hostos Avenue	Mayaguez	PR	Open Store	GL	9/20/2017	P171002503 30001	191,843
03317	1401 West Palmetto Park Road	Boca Raton	FL	Open Store	Lease	9/9/2017	P170911507 20001	2,000
04893	6126 Highway 301	Ellentown	FL	Open Store	Lease	9/10/2017	P170911509 80001	3,123
09614	101399 Overseas Highway	Key Largo	FL	Open Store	Lease	9/12/2017	P170912514 50001	10,000
07665	65 th Infantry Avenue	Carolina	PR	Open Store	Lease	9/20/2017	P170921510 70001	1,203,431
07783	Pr #22 & Pr #18	San Juan	PR	Open Store	GL	9/20/2017	P170921510 20001	1,003,158
07321	7321 Manatee Avenue West	Bradenton	FL	Open Store	Lease	9/12/2017	P170918505 60001	10,000
02027	1000 S. Seward Meridian Road	Wasilla	AK	Open Store	GL	11/30/2018	P181130504 30001	20,000

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
07793	9000 Lockhart Gardens S/C; Suite 1	St Thomas	VI	Open Store	Lease	9/25/2017	P17100350750001	0
03993	State Road 1498 & State Road 584	Juana Diaz	PR	Open Store	Lease	9/20/2017	P17100350650001	75,769
01274	11500 Midlothian Turnpike	Richmond	VA	Open Store	GL	9/17/2018	P18091850100001	2,500
03692	1450 Summit Avenue	Oconomowoc	WI	Open Store	Lease	8/31/2018	P18083150170001	1,000
07713	3207 Solomons Island Road	Edgewater	MD	Open Store	Lease	11/22/2018	P18112350570001	1,000
01085	Intersection of State Rd Pr 1 & Pr 156	Caguas	PR	Open Store	Lease	9/21/2017	P17092550040001	3,571,007
07566	State Road 2 KM 80.2	Arecibo	PR	Open Store	Lease	10/4/2018	P18100950600001	0
07566	State Road 2 KM 80.2	Arecibo	PR	Open Store	Lease	10/6/2018	P18100950620001	0
03750	830 West Fulton Street	Waupaca	WI	Open Store	Lease	9/20/2018	P18092150220001	1,000
07255	411 Russell Dyche Highway	Somerset	KY	Open Store	Lease	11/29/2018	P18120650070001	
02694	100 Spotsylvania Mall	Fredericksburg	VA	Open Store	Lease	5/18/2018	P18051950040001	
02694	100 Spotsylvania Mall	Fredericksburg	VA	Open Store	Lease	4/26/2018	P18042750210001	
03266	U.S. Route 11 Mark Plaza	Kingston	PA	Open Store	Lease	9/13/2018	P18091350180001	9,000
03235	730 South Orange	West Covina	CA	Open Store	Lease	12/7/2018	P18120750150001	500
07749	250 West 34 th Street	New York	NY	Open Store	Lease	12/7/2018	P18120750080001	1,000
03269	1201 South Dixie	Lantana	FL	Open Store	Lease	9/13/2017	P17091350410001	2,500
07566	State Road 2 Km 80.2	Arecibo	PR	Open Store	Lease	9/21/2017	P17092550210001	384,627
04844	9410 Avenue Los Romeros	Rio Piedras	PR	Open Store	Lease	9/21/2017	P17092550180001	313,403

Unit	Address	Loss City	Loss State	Property Group	10K Owned / L/GL	Date of Loss	Claim Property: Claim Property Number	Estimated Loss to Building and FF&E
07793	9000 Lockhart Gardens S/C; Suite 1	St Thomas	VI	Open Store	Lease	10/22/2017	P171025502 40001	0
07793	9000 Lockhart Gardens S/C; Suite 1	St Thomas	VI	Open Store	Lease	9/21/2017	P170925502 20001	175,000
01154	1259 Whitehall Mall	Whitehall	PA	Open Store	Lease	9/4/2018	P180905506 20001	3,000
01984	South 3701 McKinley Parkway	Buffalo	NY	Open Store	Lease	11/27/2018	P181201501 30001	32,412
01925	Caroline S/C	Carolina	PR	Open Store	Lease	9/6/2017	P170907510 60001	2,500
03829	26-A Tutu Park Mall	St Thomas	VI	Open Store	Lease	9/21/2017	P170925501 20001	1
45577 a/k/a 7385	819 E. Six Forks Road	Raleigh	NC	Non-Retail	Lease	1/11/2018	P180112504 60001	45,000
01654	1067 West Baltimore Pike	Media	PA	Open Store	GL	8/28/2018	P180828504 60001	1,000
07793	9000 Lockhart Gardens S/C; Suite 1	St Thomas	VI	Open Store	Lease	9/6/2017	P170906512 50001	300,000
03829	26-A Tutu Park Mall	St Thomas	VI	Open Store	Lease	9/6/2017	P170906512 20001	5,007,517
01365	20701 SW 112 th Avenue	Miami	FL	Open Store	Lease	9/10/2017	P170912504 80001	26,668
01345	1625 West 49 th Street	Hialeah	FL	Open Store	Lease	9/11/2017	P170912508 70001	545

Schedule 6.6(e)

1. Items 1 and 2 of Schedule 6.6(b) are incorporated herein by reference.
2. The following condemnation matters are pending with respect to the Leased Properties:

RE ID	ST	Name	Address	Detail
724600	IN	Richmond	3150 National Road West	Taking of less than ½ acre.
340500	MN	Minneapolis	10 W Lake Street	Taking for easement for County Streetscaping project. Notice of Condemnation and Quick Taking filed 3/2017.
774900	NY	New York	250 W. 34 th St	Threatened condemnation by the Metropolitan Transit Authority
1012	IA	De Moines		Taking of 1,848 square feet does not appear to affect or owned or leased parcels.
2677	LA	Bossier City		Sewer right of way acquisition (condemnation).
1077	LA	Shreveport		City needing permanent and temporary servitude re upgrading and replacement of sewer line. City is under consent decree with federal government to complete the project.
2374	NJ	Vineland		Potential condemnation by the local Landis Sewer Authority
1684	NJ	Woodbridge		Potential condemnation by State of New Jersey. State has offered \$291.

3. The following litigation matters are pending or threatened with respect to the Lease Premises:

STORE NO.	STATE	CITY	ADDRESS	DESCRIPTION
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101800	CA	Baldwin Hills	3755 Santa Rosalia Dr	[Potential]
100800	CA	Boyle	2650 E Olympic Blvd	[Potential]
183800	CA	Burbank	111 E Magnolia Blvd	Cabrera, Gabriela v. Sears, Roebuck and Co. and Does 1-20
932800	CA	Long Beach	2900 Bellflower Blvd	[Potential]
323500	CA	West Covina	730 South Orange	Cabrera, Gabriela v. Kmart Corporation and Does 1-20
176500	FL	Palm Beach Gardens	3101 PGA Blvd	Sears #1765 (Palm Beach Gardens, FL) v. Forbes. Case dismissed without prejudice and may be re-filed.
173800	HI	Kaneohe(Sur)	46-056 Kamehameha Hwy	[Potential]
703300	ID	Lewiston	1815-21 st St	The Joseph P. McCann and Frances E. McCann Family Trust of Lewiston Idaho 8351 v. Kmart Corporation
700600	ID	Twin Falls	2258 Addison Ave East	Motion filed by landlord in bankruptcy court.
130000	IL	Oakbrook	2 Oakbrook Ctr	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
109200	MI	Westland	35000 Warren Rd	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
340500	MN	Minneapolis	10 W Lake Street	Boitnott, Jerald v. K-Mart Corporation d/b/a K-Mart
307100	NJ	Toms River	213 Highway 37 E	Raven Associates v. Sears Holdings, Kmart Corporation, et al. Case No. C-126-15; Ocean County, Superior Court of New Jersey [On Appeal]
143400	NJ	Wayne	50 Route 46	State of New Jersey, by the Commissioner of Transportation v. Willowbrook Mall, LLC; Sears, Roebuck and Co.; et al.
386200	NY	Bohemia	5151 Sunrise Hwy	Sayville Menlo, LLC v. Sears Holdings Management Corporation

942000	NY	Bronx	1998 Bruckner Blvd	Kmart #9420 (Bruckner Plaza, Bronx, NY) v. Vornado Realty Trust
942000	NY	Bronx	1998 Bruckner Blvd	Kmart Corporation #9420 v. Lens Lab Express, Inc.
111400	NY	Brooklyn	2307 Beverley Rd	Flatbush Center Parking LLC v. Sears Holding Corp. (ARB) AAA Arbitration Case No. 02-18-0001-6118
487100	NY	Farmingville	2280 North Ocean Ave.	Motion has been filed in the bankruptcy case initially; may become a separate suit
777700	NY	New York	770 Broadway	[Potential]
941600	NY	White Plains	399 Tarrytown Rd	Cerbone of Naples Inc., et al v. Sears Holdings Management, et al.
141000	OH	Canton	4100 Belden Village Mall	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
171400	PA	Greensburg	5256 Route 30	Sears, Roebuck and Co. v. DentalCare Partners, Inc., et al.
757000	PR	Bayamon	Plaza Rio Hondo & Comerio Ave	Kmart Corporation v. Marketing & Printing Solutions Inc.
778800	PR	Bayamon	Pr 167 & Las Cumbres	Kmart Corporation v. Marketing & Printing Solutions Inc.
778300	PR	Hato Rey	Pr #22 & Pr #18	Kmart Corporation v. Marketing & Printing Solutions Inc.
348400	WV	Elkview	I-79/Us 43 Crossings Mall	Kmart Corporation v. Tara Retail Group
4706	CA	Riverside		Claimant: Christina Lagunas
1357	TX	Austin/Barton Creek		Claimant: MaryLou Trigo
2306	AL	Gadsden		Claimant: Karen Hogeland
3793	FL	Miami		Claimant: Oneida Lazo
4123	NY	Niagara Falls		Claimant: Nancy Burkhart

1464	NJ	Deptford		Claimant: Natalie Parker
3424	FL	Gainesville		Claimant: Angela Powell
1414	NY	Nanuet		Claimant: Patrizia Proscia
1955	FL	Lakeland		Claimant: Mary Miller
9348	IL	Norridge		Claimant: Miroslav Stevanovic
2990	IL	Rockford-Cherryvale		Claimant: Leonor Jaimes
4706	CA	Riverside		Claimant: Trinity Annan
3818	FL	Hollywood	3800 Oakwood Blvd	Claimant: Julia Hernandez
1758	CA	Escondido	210 E Via Rancho Pkwy	Claimant: Mary Senic
7139	WY	Jackson	510 S Hwy 89	Claimant: Martha McCravey
3592	NV	Las Vegas	5051 E Bonanza Rd	Claimant: Felix Counterman
1226	LA	Metairie	4400 Veterans Mem Blvd	Claimant: Rhonda Christopher
4272	ND	Bismarck	2625 State St	Claimant: Frances Grueneich
4272	ND	Bismarck	2625 State St	Claimant: Vivian Hilken
3862	NY	Bohemia	5151 Sunrise Hwy	Claimant: Vivian Romanowski
4421	CA	North Hollywood	13007 Sherman Way	Claimant: Karen Barrientos
7192	PA	Easton	320 South 25 Th Street	Claimant: Blanca Hernandez
3873	DE	Wilmington	4700 Limestone Road	Claimant: Linda Cronk
1300	IL	Oakbrook	2 Oakbrook Ctr	Claimant: Zayna Abdeldeen
3954	PA	Walnutport	400 North Best Ave	Claimant: Rita Erschen
8287	CA	Ontario	5600 East Airport Rd	Claimant: Inocencio Ibarra
1733	NY	Yonkers	Rte 87(Ny St) & Cross Ct Pkwy	Claimant: Eunice Tuitt
1212	IL	N Riverside	7503 W Cermak Rd	Claimant: Genoveva Diego

3972	VI	St. Croix	Sunny Isle S/C, Space #1	Claimant: Joanna Samuel
2219	WA	Lacey/Olympia	651 Sleater Kinney Rd Se 1300	Claimant: Tabitha Priest
7654	NY	Bronx	300 Baychester Avenue	Claimant: Abel Santiago
2990	IL	Rockford-Cherryvale	7200 Harrison Ave	Claimant: Jaimes Leonor
3818	FL	Hollywood	3800 Oakwood Blvd	Claimant: Heidie Mulato
4389	TX	Mcallen	1801 South 10 Th Street	Claimant: Olga Hernandez
7413	VI	Frederiksted	Remainder Matriculate #1	Claimant: Aquita Williams
3972	VI	St. Croix	Sunny Isle S/C, Space #1	Claimant: O'Rosia Figueroa
3829	VI	St. Thomas	26 – A Tutu Park Mall	Claimant: Andlib Salem
7616	SC	Lexington	748 W Main Street	Claimant: Michelle Peele
1560	OH	Dayton Mall		(ADA) Access Center for Independent Living, et al. v. WP Glimcher Inc., et al. [Sears #1560]
3235	CA	West Covina		(ADA) Cabrera, Gabriela v. Kmart Corporation and Does 1 - 20
4047	CA	Costa Mesa		(ADA) Von Trapp, Debra v. Kmart Store #4047
4490	PR	San Juan		Marketing & Printing Solutions v. Kmart Operations, LLC and Kmart Corporation

4. The following subrogation and/or indemnification claims have been alleged by Sellers against third parties with respect to damage to the:

A. Owned Real Property

Debtor	Unit	Address	City	State	SCH Format	10K Owned/ L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
	01720		Sterling Heights	MI						
	01012		Des Moines	IA			North American Roofing		Iowa District Court for Polk County	LACL 140725
	01171	2825 S. Glenstone Ave	Springfield	MO	Sears	Owned		Yes		
	01364	4 Smith Haven Mall	Lake Grove	NY	Sears	Owned	Biscayne Roofing	Yes		
	01217	1305 Airline Road	Corpus Christi	TX	Sears	Owned	Geico	Yes		
	01074	11170 Mall Circle	Waldorf	MD	Sears	Owned	Integrated Service Mgt. (ISM)	Yes		
	S490	3333 Beverly Road	Hoffman Estates	IL	Office	Owned	Madhuri Matta/ Nationwide Ins.	Yes		
	01217	1305 Airline Road	Corpus Christi	TX	Sears	Owned	Firetrol Ins. Carrier: US HDI Global	Yes		
	01634	6901 Security Square Blvd.	Baltimore	MD	Sears	Owned		Yes		
	01307	4310 Buffalo Gap Road	Abilene	TX	Sears	Owned		Yes		
	01224	4600 Jonestown Road	Harrisburg	PA	Sears	Owned		Yes		

Debtor	Unit	Address	City	State	SCH Format	10K Owned/ L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
	01354	2500 W. Moreland Road	Willow Grove	PA	Sears	Owned		Yes		

A. Leased Properties:

Debtor	Unit	Addresses	City	State	SCH Format	10K Owned/ L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
	07223		Metairie	LA			Swift			
	01470		Greenwood	IN			Kimco			
	01844		Columbia	MD			RCC			
	01071		Lakewood	CO			Central Mutual Insurance /Debra Molinaro			
	02617		Victoria	TX						
	02173		Saratoga	NY			Wilton Mall, LLC c/o The Macerich Company			
	04026		St Joseph	MO			Mart Plaza, LLC			
	01017		Lakewood	CO						
	01844		Columbia	MD						
	02435		Charlotteville	VA			Swift Transportation			
	09520		Gulfport	MS						
	01388		Costa Mesa	CA			S-Tract, LLC			
	02078		Yuma	AZ			Allstate Insurance Company / Maria Urquijo			

Debtor	Unit	Addresses	City	State	SCH Format	10K Owned/ L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
	022 78		Idaho Falls	ID			USI			
	032 35		West Covina	CA						
	019 68		Palm Desert	CA			Kellerme yer Bergenso ns Services, LLC.			
	044 33		Quincy	IL			Twister Services			
	016 18		Modesto	CA						
	011 37		Austin	TX						
	013 88		Costa Mesa	CA						
	012 47		LUBBO CK	TX			LUBBOC K			
	019 35		MAYAG UEZ	PR						
	011 11		COLOR ADO SPRING S	CO			Jeremy Coe, vehicle owner, Kaelin Coe, driver, Safeco Ins. Y838219 7.			
	041 70		Rapid City	IA						
	018 14		Fairfax	VA			Capital Demolitio n LLC			
	094 15		Mahopac	NY			Heidenbe rg Properties			
Kmart Corpor ation	040 26		ST JOSEPH	MO			Mart Plaza, LLC c/o GJ Realty	Yes	Circuit Court of Buchan an County	18BU- CV04503

Debtor	Unit	Addresses	City	State	SCH Format	10K Owned/L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
									, Missouri	
Innovel and Sears Roebuck and Company	8872	580 Raco Parkway	Pendergrass	GA	Distrib. Center	Lease	Jackson County Water & Sewage Authority	Yes	Superior Court of Jackson County State of Georgia	15CV0516
Sears Roebuck & Co	08830	12001 Sears Avenue	Livonia	MI	Logistics	Lease	Frigidaire	Yes	Circuit Court of Cook County Illinois	2018-L-004825 in IL + 17-010869 in MI
Sears Roebuck & Co	01925	Carolina S/C	Carolina	PR	Sears	Lease	Atlas Roofing	Yes	US Dist Court for the Dist of Puerto Rico	3:15-cv-01645
Sears Roebuck & Co	01915	Avenida Aguas Buenas	Bayamon	PR	Sears	GL	Atlas Roofing	Yes	United States District Court for the District of Puerto Rico	3:18-cv-01649
Kmart Corp.	03484	I-79/US 43	Elkview	WV	Kmart	Lease	Tara Retail Group	Yes	US Bankruptcy Court for the Northern District of WV	1:17-bk-00057

Debtor	Unit	Addresses	City	State	SCH Format	10K Owned/L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
	01066	10302 Southside Blvd	Jacksonville	FL	Sears	Lease		Yes		
	03972	Sunny Isle S/C, Space #1	St Croix	VI	Kmart	Lease	Sunny Isle Shopping Center, Inc.	Yes		
	07192	320 South 25th Street	Easton	PA	Kmart	Lease		Yes		
	03707	1870 McCulloch Blvd.	Lake Havasu City	AZ	Kmart	Lease	Mather Brothers Ice	Yes		
	04494	200 Carr 181	Trujillo Alto	PR	Kmart	Lease		Yes		
	07139	510 S. Hwy 89	Jackson	WY	Kmart	Lease		Yes		
	09420	1998 Bruckner Blvd.	Bronx	NY	Kmart	Lease	Diversified	Yes		
	04170	111 E. North Street	Rapid City	SD	Kmart	Lease		Yes		
	01111	2050 Southgate Road	Colorado Springs	CO	Sears	GL	Jeremy Coe, vehicle owner, Kaelin Coe, driver, Safeco Ins. Y8382197.	Yes		
	07006	2258 Addison Ave. East	Twin Falls	ID	Kmart	Lease	Minor, Dominic M. Farag. Janice Kroeger, Sr.	Yes		

Debtor	Unit	Addresses	City	State	SCH Format	10K Owned/L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
							Deputy Prosecuting Atty, Twin Falls County, Idaho.			
	01935	975 Hostos Ave	Mayaguez	PR	Sears	GL		Yes		
	07192	320 South 25th Street	Easton	PA	Kmart	Lease		Yes		
	01968	72-880 Highway 111	Palm Desert	CA	Sears	Lease	Kellermyer Bergensons Services, LLC.	Yes		
	01248	660 W. Winton Ave.	Hayward	CA	Sears	Lease		Yes		
	03235	730 South Orange	West Covina	CA	Kmart	Lease		Yes		
Sears Roebuck & Co	02694	100 Spotsylvania Mall	Fredericksburg	VA	Sears	Lease	Spotsylvania Mall Company c/o The Cafaro Company	Yes	Court of Common Pleas Trumbull County, Ohio	2018 cv 1614
	03972	Sunny Isle S/C, Space #1	St Croix	VI	Kmart	Lease	Sunny Isle Shopping Center, Inc.	Yes		
	09520	12057-A Hwy 49	Gulfport	MS	Kmart	Lease		Yes		

Debtor	Unit	Addresses	City	State	SCH Format	10K Owned/L/GL	Defendant Name	Recover	Jurisdiction	Court Case Number
	02435	1531 Rio Road E.	Charlotteville	VA	Sears	Lease	Swift Transportation	Yes		
	01674	100 Main Street	White Plains	NY	Sears	Lease	Manager Realty, LLC c/o Pacific Retail Capital Partners	Yes		
	03873	4700 Limestone Road	Wilmington	DE	Kmart	Lease		Yes		
	09224	5561 Overseas Highway	Marathon	FL	Kmart	Lease		Yes		
	03592	5051 E. Bonanza Road	Las Vegas	NV	Kmart	Lease	Lange	Yes		
	01008	2650 E. Olympic Blvd.	Los Angeles	CA	Sears	Lease		Yes		
	01008	2650 E. Olympic Blvd.	Los Angeles	CA	Sears	Lease		Yes		
	07653	42126 Big Bear Boulevard	Big Bear Lake	CA	Kmart	Lease	NorthStar Recovery Services Chubb	Yes		
	01674	100 Main Street	White Plains	NY	Sears	Lease		Yes		
	07383	241 Wooster Road North	Barberton	OH	Kmart	Lease	Danny Greenwade Ontario Bradley 3rd Defendant	Yes		

Schedule 6.7

Taxes

Sears Reinsurance Company, Ltd is a regarded entity for U.S. federal income tax purposes.

State Sales Tax Audits

Company Name	State	Audit Period	Status/Audit Issues / Proposed Assessment
A & E FACTORY SERVICES	CA	01/12/2012-12/31/2014	Field work beginning
A & E FACTORY SERVICES	PA	1/01/2009 - 12/31/2012	\$2.6m proposed assessment; being appealed
A & E FACTORY SERVICES	SC	1/12/2015-12/31/2018	Awaiting contact from auditor
A & E FACTORY SERVICES	TN	12/01/2008 - 1/31/2012	Awaiting contact from auditor
A & E SIGNATURE SERVICES	CA	01/01/12-12/31/14	Field work beginning
KMART CORP	AR	10/01/2013-09/30/2016	Audit under way, no workpapers received
KMART CORP	FL	05/01/2015-04/30/2018	Fixed assets and expense reviewed with auditor proposing \$60k liability. Sales review has started.
KMART CORP	MI	TBD	Audit not yet started
KMART CORP	NJ	01/01/14-12/31/17	Fixed assets reviewed.
KMART CORP	PA	1/1/15 - 8/1/18	Audit under way, no workpapers received
KMART CORP	TX	1/1/15-12/31/18	Audit just starting
KMART OPERATIONS LLC	AR	04/01/15-09/30/16	Audit under way, no workpapers received
KMART OPERATIONS LLC	NV	10/01/15-09/30/18	Audit just starting
KMART OPERATIONS LLC	NY	6/1/2015 - 11/30/2017	Agreed/settled amount \$363,381.96
KMART STORES OF TEXAS	TX	1/1/15-10/31/2018	Audit just starting
SEARS ROEBUCK	AR	10/01/2013-09/30/2016	Audit under way, no workpapers received
SEARS ROEBUCK	AR	10/01/2013-09/30/2016	Audit under way, no workpapers received
SEARS ROEBUCK	CA	01/01/2012 - present	Audit under way, no workpapers received: purchases & bad debt to be examined

SEARS ROEBUCK	CA	10/01/07 - 12/31/11	Audit is being protested on credit card bad debt, penalty & interest of \$600k, share 50% of exposure with Citibank
SEARS ROEBUCK	CO City of Castle Rock	10/1/15-9/30/18	Audit under way, no workpapers received
SEARS ROEBUCK	CO City of Lakewood	4/1/15-3/31/18	Proposed assessment of \$70,426
SEARS ROEBUCK	CT	1/1/16-12/31/18	Audit under way, no workpapers received
SEARS ROEBUCK	IL	01/01/2013-06/30/2015	Received assessment for \$923,769. Being protested.
SEARS ROEBUCK	IL	01/01/2016-06/30/2018	Audit just starting
SEARS ROEBUCK	KS	8/1/2015-7/31/2018	Audit in progress; no work papers yet
SEARS ROEBUCK	KS	08/01/2015-07/31/2018	Audit in progress; no work papers yet
SEARS ROEBUCK	KS	08/01/2015-07/31/2018	Audit in progress; no work papers yet
SEARS ROEBUCK	MA	07-01-14 - 09-30-16	\$300K assessment
SEARS ROEBUCK	MN	9/01/2011 - 12/31/2015	Audit in progress; no work papers yet
SEARS ROEBUCK	NC	3/1/2016-2/28/2019	Audit just starting
SEARS ROEBUCK	NJ	01/01/14-12/31/17	Audit just starting.
SEARS ROEBUCK	NV	10/01/15-09/30/18	Audit just starting
SEARS ROEBUCK	NV	10/01/15-09/30/18	Audit just starting
SEARS ROEBUCK	TN	01/01/2011-06/30/2016	Audit under way, no workpapers received
SEARS ROEBUCK	TX	11/01/07 - 9/30/11	Audit assessment and offsetting refund claim on credit card bad debt issue is being investigated by the State, share 50% of exposure with Citibank.
SEARS ROEBUCK	TX	10/01/11 - 12/31/15	Audit assessment and offsetting refund claim on credit card bad debt issue is being investigated by the State, share 50% of exposure with Citibank.
SEARS HOLDINGS CORP	OH	01/01/15 - 12/31/17	Commercial activity tax (CAT) audit; information provided for examination, no work papers yet
SEARS LOGISTICS SERVICES (INNOVEL)	PA	01/01/13-06/30/16	Audit under way, no workpapers received.

SEARS LOGISTICS SERVICES (INNOVEL)	TX	1/1/17-10/31/18	Audit just starting
SEARS OPERATIONS LLC	AR	04/01/15-09/30/16	Audit under way, no workpapers received
SEARS OPERATIONS LLC	CO City of Lakewood	7/1/15-3/31/18	Assessment of \$45,735
SEARS OPERATIONS LLC	FL	07/01/15-06/30/18	Audit not started.
SEARS OPERATIONS LLC	MA	3/1/15 to 5/31/18	Audit just starting
SEARS OPERATIONS LLC	NV	10/01/15-09/30/18	Audit just starting
SEARS OPERATIONS LLC	TX	5/1/15 to 9/30/18	Audit just starting
SEARS OPERATIONS LLC	NY	6/1/2015 - 11/30/2017	Agreed/settled amount \$256,866.73
SEARS PROCUREMENT COMPANY	NJ	07/01/13-06/30/17	Proposed assessment of \$50,000
SEARS PROCUREMENT SERVICES	NV	10/01/15-09/30/18	Audit just starting

State Income Tax Audits

Company Name	State	Audit Period	Status
Sears Reinsurance Co	NJ	2000-2017	Nexus audit in process
Sears, Kmart etc. (NJ filers)	NJ	2013-2016	In-process
Sears Combined Group	NY	2015-2016	In-process
Sears Logistics Services (Innovel)	CO	2014-2017	In-process
Kmart Holdings & Subs	CO	2014-2017	In-process
Sears Kmart etc. (AL filers)	AL	2016-2017	In-process
Sears Kmart etc. (GA filers)	GA	2014-2016	In-process

Schedule 6.8⁸

Brokers or Finders

1. Engagement Letter by and between the Special Committee of the Board of Directors of Sears Holdings Corporation and Centerview Partners LLC, dated as of April 28, 2018 (as may be amended from time to time).
2. Letter Agreement by and between Lazard Freres & Co. LLC and Sears Holdings Corporation, dated as of October 11, 2018 (as may be amended from time to time).
3. Real Estate Services Agreement by and between A&G Realty Partners, LLC, dated November 6, 2018 (as may be amended from time to time).
4. Engagement Letter by and between JLL Valuation & Advisory Services, LLC and Sears Holdings Corporation dated November 28, 2018 (as may be amended from time to time).
5. Real Estate Advisory Services Agreement (December 2018 Sales Process for Real Estate) by and between Sears Holdings Corporation and Jones Lang LaSalle Americas, Inc. dated December 6, 2018 (as may be amended from time to time).
6. Real Estate Advisory Services Agreement by and between Sears Holdings Corporation and Jones Lang LaSalle Americas, Inc. dated December 6, 2018 (as may be amended from time to time).
7. Items 10-45 from Schedule 6.11(a)(2) are hereby incorporated by reference.

⁸ **Note to Draft:** The agreements represent the current agreements for Seller to pay brokerage or finders' fees, as applicable. Buyer has not agreed to pay any amounts under these agreements.

Schedule 6.9

Employee and Employee Plan Matters

Schedule 6.9(a)

1. Sears, Roebuck & Co, Respondent and Local 881, United Food and Commercial Workers, Charging Party, Case No. 13-CA-191829.
2. Sears, Roebuck & Co, Respondent and Local 881, United Food and Commercial Workers, Charging Party, Case No. 13-CA-191829, NLRB (unfair labor practice charge pending appeals filed October and November 2018).
Collective Bargaining Agreements
3. :

Business Unit	Loan Party or other Subsidiary	Union	Contract Term
Supply Chain	Kmart Corporation – Logistics – RDC – Manteno, IL	IBT #705	2/5/18 - 1/31/21
Supply Chain	Kmart Corporation – Logistics – RDC – Morrisville, PA	UAW #8275	9/11/16 - 3/8/20
Supply Chain	Kmart Corporation – Logistics – RDC – Warren, OH	UAW #1112	9/2/15 - 9/8/18 ⁹
Home Services	Sears Roebuck – PRS – Detroit, MI	IBT #243	10/19/17 - 10/18/20
Supply Chain	Sears Roebuck – MDO – Livonia, MI	IBT #243	10/26/17 - 10/26/20
Auto	Sears Roebuck – Auto Center – Fairview Heights, IL	UFCW #881	3/25/18 - 3/27/21
Retail	Sears Roebuck – Retail – Fairview Heights, IL	UFCW #881	3/25/18 - 3/27/21
Home Services	Sears Roebuck – PRS – Akron, OH	IBT #348	5/19/18 - 5/18/21
Home Services	Sears Roebuck – PRS – Cleveland, OH	UFCW #880	2/1/16 - 1/31/19
Home Services	Sears Roebuck – PRS – Philadelphia, PA	IBT #107	7/15/11 - 7/14/15
Supply Chain	Kmart Corporation – Logistics -- RSC – Chambersburg, PA	UNITE # 196	3/3/18 - 3/6/21
Supply Chain	Kmart Corporation – Distribution Center – Mira Loma, CA	UNITE # 512	1/13/18 - 12/26/20
Supply Chain	Sears Roebuck – MDO – Sacramento, CA	IBT #150	11/5/18 - 10/31/21
Home Services	Sears Roebuck – PRS – St. Louis, MO	IBT #688	11/1/17 - 10/31/20
Supply Chain	Sears Roebuck – DDC – Kent, WA	IBT # 174	11/1/16 - 10/31/19

⁹ **Note to Draft:** Unit is operating under an Extension of the 2015-2018 contract; extended until 3/31/19. Unit announced for closing on 11/6. They anticipate operations will cease by mid-February. Bargaining of the effects of the closure are underway. Upon closure of unit, the contract will be void.

Business Unit	Loan Party or other Subsidiary	Union	Contract Term
Supply Chain	Sears Roebuck – MDO – Kent, WA	IBT # 174	12/4/16 – 9/30/19
Home Services	Sears Roebuck – PRS – Fairview Heights, IL	UFCW #881	3/25/18 - 3/27/21
Home Services	Sears Roebuck – PRS – McMurray (Pittsburgh), PA	USW 5852-28	1/1/17 - 12/31/19
Home Services	Sears Roebuck – PRS – Toledo, OH	IBEW #8	2/1/18 – 1/31/21

Schedule 6.9(b)

1. Afzal, Massoud et al. v. Sears, Roebuck and Co., et al., BC 631074, Los Angeles Superior Court (Aug. 23, 2016).
2. Doe, John, James and Jane v. Sears Holdings Corporation; Kmart Corporation; Rebecca Van Hattem and Does 1-25, inclusive, C18-01719, Superior Court Cal. (Aug. 28, 2018).
3. Kmart Corporation v. National Retirement Fund, 01-16-0003-2951, AAA Arbitration.

Schedule 6.9(c)

1. SHC confirms as stated below and described in our annual reports:
 - Pension Plans
 - On July 14, 2015, the Company received notice from the U.S. Department of Labor, Employee Benefits Administration, Chicago Regional Office ("EBSA-Chicago") that EBSA-Chicago opened an investigation to determine whether any violations of ERISA occurred with respect to the Legacy Plan covering the period from January 1, 2012 through the present. EBSA-Chicago has indicated that it will not assess penalties against the Company or the Legacy Plan, but has requested that the Company enhance its administrative process for contacting participants eligible to commence benefits and commencing their benefits accordingly.

Schedule 6.9(d)

1. Sears Holdings Pension Plan – Department of Labor audit regarding missing participants is outstanding – SHIP notified of audit on July 10, 2015.
2. Sears Holdings Savings Plan – IRS audit regarding missing participants is outstanding – SHIP notified of audit on February 1, 2016.

Schedule 6.9(e)

1. Sears Holdings Pension Plan 1
2. Sears Holdings Pension Plan 2

Schedule 6.9(f)

1. Liability to Multiemployer Plan: Kmart Corporation incurred withdrawal liability in connection with its 2015 withdrawal from the National Retirement Fund.

Schedule 6.9(g)

1. Participant Letter (bonus payment) – Key Employee Retention Plan
2. Participant Letter (bonus payment) – Sears Holding Corporation Key Employee Incentive Plan
3. Pursuant to an offer letter between Sears Holdings and Carrie Price, dated October 11, 2017, Ms. Price is entitled to certain severance pay and benefits if she is (i) involuntarily terminated in connection with the sale of the Home Services Business Unit (“HSBU”), and (ii) not offered comparable employment by the buyer of HSBU or the surviving entity of HSBU following such sale.
4. Pursuant to the Executive Agreement between J. Mitchell Bowling and Sears Holding Management Corporation, dated October 27, 2017, Mr. Bowling is entitled to certain severance benefits if he is (i) terminated without cause and in connection with the sale of HSBU, and (ii) not offered comparable employment by the buyer of HSBU or the surviving entity of HSBU following such sale.

Schedule 6.10
Intellectual Property

Schedule 6.10(a)

Issued or Applied-For Patents

Schedule 2.1(a)(iii) is hereby incorporated by reference.

Registered or Applied-For Trademarks

Schedule 2.1(a)(i) is hereby incorporated by reference.

Registered or Applied-For Copyrights

Schedule 2.1(a)(iv) is hereby incorporated by reference.

Domain Names

Schedule 2.1(a)(v) is hereby incorporated by reference.

Media Accounts

Schedule 2.1(a)(vi) is hereby incorporated by reference.

Schedule 6.10(b)(i)

Patent Application No.	Patent No.	Description
09/636181	6523840	No recorded assignment from Ohio Steel to Sears
10/340024	6679506	Same as previous case (continuation)
12/011106		No recorded assignment from Delver Comm'n to SHC Israel
13/004331		No recorded assignment from inventor Klondick; filed petition during prosecution to proceed without him. The USPTO granted Sellers' petition and awarded the application Rule 1.47(a) status on May 23, 2011.
13/283943	9225766	No recorded assignment from inventor Lash; filed petition during prosecution to proceed without him. The USPTO granted Sellers' petition and awarded the application Rule 1.47(a) status on May 18, 2012.
13/421423	9438678	No recorded assignment from inventors Kozolowski and Monnie; filed petition during prosecution to proceed without them. The USPTO granted Sellers' petition and awarded the application Rule 1.47(a) status on February 13, 2013.
13/421603	9129302	No recorded assignment from inventor Lucas
13/826128	9330413	No recorded assignment from inventor Lyons
13/910216		No recorded assignment from inventors
13/926383		No recorded assignment from inventors

13/998540		No recorded assignment from inventor Lucas
14/083815		No recorded assignment from inventor Tamir
14/084903		No recorded assignment from inventor Tamir
29/209636	D509654	No recorded assignment from Kmart of Michigan to Sears
29/528304	D767648	No recorded assignment from inventors Ogg and Lee
29/528339	D773917	No recorded assignment from inventors Green and Burgess
29/554459	D791180	No recorded assignment from inventor Sun
29/554463	D801388	No recorded assignment from inventor Sun
29/554469	D791181	No recorded assignment from inventor Sun
29/554470	D791168	No recorded assignment from inventor Sun
29/554472	D797117	No recorded assignment from inventor Sun
29/554475	D793425	No recorded assignment from inventor Sun
29/554476	D789946	No recorded assignment from inventor Sun
29/554479	D793426	No recorded assignment from inventor Sun
29/554480	D789947	No recorded assignment from inventor Sun
29/554481	D791816	No recorded assignment from inventor Sun
29/554483	D789984	No recorded assignment from inventor Sun
29/554484	D773516	No recorded assignment from inventor Sun
29/554487	D791817	No recorded assignment from inventor Sun
29/554489	D791169	No recorded assignment from inventor Sun
29/554492	D789948	No recorded assignment from inventor Sun
29/554493	D789949	No recorded assignment from inventor Sun
29/554494	D791170	No recorded assignment from inventor Sun
29/554496	D792445	No recorded assignment from inventor Sun
29/554497	D791818	No recorded assignment from inventor Sun
29/554499	D793427	No recorded assignment from inventor Sun
29/554500	D792446	No recorded assignment from inventor Sun
29/554501	D790587	No recorded assignment from inventor Sun
29/554503	D791171	No recorded assignment from inventor Sun
29/554843	D795287	No recorded assignment from inventor Sun
29/571792	D795312	No recorded assignment from inventors Ogg and Lee

Encumbrances

1. First Amended and Restated Sublicense Agreement, dated April 1, 2005, by and between Sears Intellectual Property Management Company and Sears, Roebuck and Co.
2. License and Intellectual Property Management Agreement, dated February 1, 2003, by and between Sears Brands, LLC and Sears Intellectual Property Management Company.
3. Trademark License Agreement, dated December 14, 2001, by and between Sears, Roebuck and Co., and A&E Factory Service, LLC.
4. Amended and Restated License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart Corporation.
5. Sublicense Agreement, dated February 9, 2010, by and between Sears Brands Business Unit Corporation and Kmart Corporation.
6. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as a successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart.com LLC.

7. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., and Kmart of Michigan, Inc.
8. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as successor in interest to the trademark rights of Kmart of Michigan, Inc. and Kmart of Washington LLC.
9. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as a successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart Stores of Illinois LLC.
10. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as a successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart Stores of Texas LLC.
11. Sublicense Agreement, dated February 9, 2010, by and between Kmart Corporation and MyGofer LLC.
12. Sublicense Agreement, dated September 22, 2008, by and between Sears Brands Business Unit Corporation and Sears Brands Management Corporation as amended by First Amendment to Sublicense Agreement, dated November 24, 2008, and Second Amendment to Sublicense Agreement, dated April 30, 2012.
13. Sublicense Agreement, dated February 9, 2010, by and between Sears Brands Business Unit Corporation and Sears Holdings Management Corporation.
14. Sublicense Agreement, dated February 9, 2010, by and between Sears, Roebuck and Co. and Sears Home Improvement Products, Inc.
15. First Amended and Restated Sublicense Agreement, dated April 1, 2005, by and between Sears Brands Business Unit Corporation and Sears, Roebuck and Co. as amended by Amendment 1 to First Amended and Restated Sublicense Agreement, dated May 1, 2006, and Amendment 2 to First Amended and Restated Sublicense Agreement, dated January 1, 2008.
16. Corporate Name Agreement, dated April 21, 2010, by and between Sears, Roebuck and Co. and Sears, Roebuck de Puerto Rico, Inc.
17. Sublicense Agreement, dated April 21, 2010, by and between Sears, Roebuck and Co. and Sears, Roebuck de Puerto Rico, Inc.
18. Sublicense Agreement, dated November 20, 2007, by and between Sears Intellectual Property Management Corporation and ServiceLive, Inc.
19. Retail Store License Agreement, dated January 1, 2014, by and between Sears Brands Management Corporation and Homemart, S.A.
20. License Agreement, dated June 23, 2017, by and between Sears Brands Management Corporation and Cleva North America, Inc.
21. License Agreement, dated December 2017, by and between Sears Brands Management Corporation and Drinkpod LLC.
22. License Agreement, dated February 2, 2017, as amended May 30, 2017 and August 28, 2017, by and between Sears Brands Management Corporation and Permasteel, Inc.
23. License Agreement (DieHard Portable Power Products), dated January 10, 2014, by and between Sears Brands Management Corporation and Schumacher Electric Corporation, as amended by Amendment #1 to License Agreement for DieHard Portable Power Products, dated January 31, 2018, and Amendment #2 to License Agreement for DieHard Portable Power Products, dated October 25, 2018.
24. License Agreement, dated June 15, 2017, by and between Sears Brand Management Corporation and Dorcy International, Inc.

25. License Agreement, dated February 20, 2018, by and between Sears Brands Management Corporation and Andrew J. Consulting, Inc., as amended by Amendment #1 to License Agreement, dated April 4, 2018.
26. Brand Sales Agreement, dated November 23, 2005, by and between Sears, Roebuck and Co. and Orchard Supply Hardware LLC.
27. Amended and Restated Trademark License Agreement, dated April 17, 2002, by and among Sears, Roebuck and Co., Sears Brands Management Corporation, and Sears, Roebuck de Mexico, S.A. de C.V.; as amended by Amendment to Amended and Restated Trademark License Agreement, dated October 1, 2009, and Second Amendment to Amended and Restated Trademark License Agreement, dated January 1, 2010.
28. License Agreement, dated December 2016, as amended May 29, 2017, by and between Sears Holdings Management Corporation and Beijing Industrial Development Co., Ltd.
29. License Agreement, dated August 2, 2018, by and between Sears Brands Management Corporation and Gibson Overseas, Inc.
30. Label Trade Credit Program Agreement, dated April 20, 2011, by and between Sears Holdings Management Corporation and Bluetarp Financial, Inc.
31. Amended and Restated Merchandising Agreement, dated May 1, 2016, by and among, Roebuck and Co., Kmart Corporation, Sears Holdings Corporation, Sears Hometown Outlet Stores, Inc., Sears Authorized Hometown Stores, LLC and Sears Outlet Stores L.L.C., as amended by Amendment to Amended and Restated Merchandising Agreement, dated March 8, 2017, Amendment No. 2 to Amended and Restated Merchandising Agreement, dated July 10, 2017, and Amendment No. 3 to Amended and Restated Merchandising Agreement, dated December 15, 2017.
32. Trademark License Agreement, dated August 8, 2012, by and between Sears, Roebuck and Co. and Sears Hometown and Outlet Stores, Inc., as amended by Amendment No. 1 to Trademark License Agreement, dated October 11, 2012.
33. Amended and Restated Agreement, dated February 16, 2018, by and among Sears Holding Corporation, Sears, Roebuck and Co., Kmart Corporation, Sears Hometown and Outlet Stores, LLC, Sears Outlet Stores, L.L.C., Sears Home Appliance Showrooms, LLC, Bank of America, N.A., and Gordon Brothers Finance Company, as agent.
34. Store License Agreement, dated August 8, 2012, by and between Sears, Roebuck and Co. and Sears Authorized Hometown Stores, LLC, as amended by Amendment No. 1 to Store License Agreement, dated July 10, 2017.
35. Store License Agreement, dated August 8, 2012, by and between Sears Roebuck and Co. and Sears Home Appliance Showrooms, LLC.
36. Store License Agreement, dated August 8, 2012, by and between Sears Roebuck and Co. and Sears Outlet Stores, L.L.C., as amended by Amendment No. 1 to Store License Agreement (Outlet), dated October 6, 2013, and Amendment No. 2 to Store License Agreement (Outlet) dated May 1, 2016.
37. Retail Operations Agreement, dated April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc., as amended by the Letter Agreement, dated July 23, 2018.
38. License and Services Agreement, dated October 28, 2016, by and between Afero, Inc. and Sears Brands Management Corporation.

39. Master License and Services Agreement, dated September 12, 2017, by and between Afero, Inc. and Sears Brands Management Corporation.
40. Superpriority Junior Lien Secured Debtor-in-Possession Credit Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the several banks, financial institutions or entities from time to time party thereto as term lenders, and Cantor Fitzgerald Securities, as administrative agent.
41. Debtor-in-Possession Guarantee and Collateral Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck and Co., Sears Roebuck Acceptance Corp., Kmart Holding Corporation, Kmart Corporation and Cantor Fitzgerald Securities, as collateral agent.
42. Superpriority Senior Secured Debtor-in-Possession Asset-Based Credit Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, the banks, financial institutions and other institutional lenders party thereto as revolving lenders or term lenders, Bank of America, N.A., as administrative agent, Wells Fargo Bank, National Association, as co-collateral agent and syndication agent, Citigroup Global Markets Inc. as documentation agent, Merrill Lynch, Pierce, Fenner & Smith Incorporation, Citibank, N.A. and Wells Fargo Bank, National Association, as joint lead arrangers and bookrunners.
43. Debtor-in-Possession Guarantee and Collateral Agreement, dated November 29, 2018, by and among Sears Holdings Corporation, Sears Roebuck and Co., Sears Roebuck Acceptance Corp., Kmart Holding Corporation, Kmart Corporation, and Bank of America, N.A. and Wells Fargo Bank, National Association, as co-collateral agents.
44. Term Loan Credit Agreement, dated January 4, 2018, by and among Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, each of Sears Holdings Corporation's other direct or indirect domestic subsidiaries that is or otherwise becomes party thereto, and JPP, LLC, as collateral agent.
45. Intellectual Property Security Agreement, dated January 4, 2018, by and between Sears Holdings Corporation, Sears Roebuck Acceptance Corp., Kmart Corporation, and each of Sears Holdings Corporations other direct or indirect domestic subsidiaries that is or otherwise becomes party thereto, and JPP, LLC, as collateral agent.
46. Exclusive Distributorship Agreement, dated August 31, 2017, by and between Sears Brands Management Corporation and Distribuidora y Comercializadora Master Brands SpA.
47. Distributorship Agreement, dated January 25, 2018, by and between Sears Brands Management Corporation and Globistic Company, Inc.
48. Distributorship Agreement, as amended February 7, 2018, by and between Sears Brands Management Corporation and ANSA McAL (US) Inc.
49. Distributorship Agreement, dated June 7, 2017, by and between Sears Brands Management Corporation and Algert Company.
50. Second Amended and Restated Program Agreement, dated October 3, 2018, by and among Sears, Roebuck and Co., Sears Brands Business Unit Corporation, Sears Brands,
51. Sellers' form of Sears Garage Door Services Franchise Agreement for the sale, installation and repair of garage doors and garage door openers (the "Garage Door Business") may restrict Sellers from operating, or granting to a licensee the right to operate, a Garage Door Business on a stand-alone basis (without any additional products included in such sale, installation or repair) within the applicable franchised territory under certain trademarks owned or licensed, and used,

promoted and licensed by Sears Home & Business Franchises, Inc. for the term of such agreement.

52. On July 26, 1995 the entity Plaza Lama recorded itself before the Central Bank of the Dominican Republic as the exclusive distributor for products sold under the trademarks Kenmore, and DieHard (the “Products”) in the Dominican Republic based on a number of documents and invoices from Cargil International Corp., the authorized regional distributor at that time. The recordation expressly recognizes Plaza Lama as the “exclusive distributor” in the Dominican Republic. For a two (2) year period beginning on February 20, 2007, Plaza Lama distributed Products in the Dominican Republic, in the absence of any written distribution agreement, but in February of 2009, Sears informed Plaza Lama that it had assigned its sales and marketing of Products to the entity Ansa McAL. Plaza Lama stopped distributing Products and requested to purchase directly from Sears. In November of 2011, Plaza Lama contacted Ansa McAL and claimed exclusive distribution rights in the Dominican Republic under Local Law 173 and requested that Ansa McAL cease distribution of Products through other companies. The disagreement led Sears to file a lawsuit against Plaza Lama in a court of first instance (the “Court”) in the Dominican Republic, and Plaza Lama counterclaimed. On September 20, 2017, the Court ruled that Plaza Lama held exclusive distribution rights to Products in the Dominican Republic. Sears is currently considering whether to appeal the Court’s ruling.

Schedule 6.10(c)

(ii) Alleged infringement of third-party IP

- C&D Letters:

Sending Party	Date Received	Overview of Claim
Combe Inc.	11/13/18	Alleging that Kmart’s feminine wash product, which states “ODOR BLOCK PROTECTION” on its label, infringes Combe’s registered trademark ODOR BLOCK, used in connection with its Vagisil product
Emeline Tate-Robertson	11/16/2018	Alleging that certain bike helmets and bedding sold by Kmart infringe ETR’s alleged copyright rights in her “jagged glass” artwork; no indication that the work is registered
Airstream, Inc.	12/7/18	Alleging that Sears’s inflatable Christmas decoration of a trailer infringes Airstream’s registered trademark AIRSTREAM and trade dress rights in the design of its trailers

- Actions pending:

Court	Docket Number	Description	Filed
U.S. District - Michigan Western	1:14cv83	Rohn et al. v. Viacom International, Inc. et al.	01/23/2014
U.S. District - Texas Eastern	6:16cv33	Tinnus Enterprises, LLC et al. v. Telebrands Corp.	01/26/2016
U.S. District - Texas Eastern	6:16cv34	Tinnus Enterprises, LLC v. Wal-Mart Stores, Inc.	01/26/2016
U.S. District - Oregon	3:15cv171	Trailers Intl, LLC et al. v. Mastercraft Tools Florida, Inc. et al.	01/30/2015

U.S. District - New York Southern	1:14cv1254	The Fashion Exchange LLC v. Hybrid Promotions, LLC et al.	02/26/2014
U.S. District - Florida Southern	9:18cv80296	Aspen Licensing International, Inc. v. Sears Holdings Management Corp. et al.	03/08/2018
U.S. District - Illinois Northern	1:18cv1885	Grecia v. Sears Holdings Corporation	03/15/2018
U.S. District - New Jersey	3:13cv1944	Richmond v. Ningbo Hangshun Electrical Co., Ltd. et al.	03/27/2013
U.S. District - Texas Eastern	6:17cv199	Tinnus Enterprises, LLC et al. v. Bed Bath & Beyond Inc., et al.	04/03/2017
U.S. District - California Central	2:18cv3556	Gold Value International Textile, Inc. v. Ax Paris USA, LLC et al.	04/26/2018
U.S. District - Minnesota	0:09cv1091	Aviva Sports, Inc. v. Fingerhut Direct Marketing, Inc., et al.	05/11/2009
U.S. District - New Mexico	1:15cv406	Shive v. Amazon.Com, Inc. et al.	05/12/2015
U.S. District - California Central	2:17cv3665	L.A. Gem and Jewelry Design, Inc. v. Sears Holdings Management Corporation et al.	05/16/2017
U.S. District - Texas Eastern	2:18cv228	Flectere LLC v. Sears Brands, L.L.C.	05/24/2018
U.S. District - Texas Eastern	2:18cv275	Unoweb Virtual, LLC v. Sears Holdings Corp.	07/09/2018
U.S. District - New York Southern	1:18cv6281	GCE International, Inc. v. Kmart Corporation	07/11/2018
U.S. District - New York Southern	1:18cv6812	Graham v. RWTW, LLC et al.	07/30/2018
U.S. District - California Central	2:17cv6226	Benavidez v. Kmart Corporation et al.	08/23/2017
U.S. District - New York Southern	1:17cv7097	Bulski v. Tanya Creations, LLC, et al.	09/18/2017
U.S. District - California Central	2:17cv7151	Deckers Outdoor Corporation v. Sears, Roebuck and Co., et al.	09/27/2017
U.S. District - California Central	2:17cv7151	Deckers Outdoor Corporation v. Sears, Roebuck and Co., et al.	09/27/2017
U.S. District - Texas Eastern	6:18cv569	Tinnus Enterprises, LLC et al. v. Sears Holding Corp.	10/31/2018
U.S. District - California Central	2:17cv9046	Universal Dyeing and Printing Inc. v. Walmart Inc., et al.	12/15/2017
U.S. District - New York Southern	1:17cv9840	Standard Fabrics International, Inc. v. Project 28 Clothing, LLC et al.	12/15/2017

(iii)

Third Party Challenges to the Validity of Acquired Intellectual Property

Country	Type of Proceeding	Other Party	Marks at Issue
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910112100) in Class 11

Brazil	Third Party Seeking to Cancel of Sears's Registration	Limpeza	SEARS (Reg. No. 811234940) in Class 35
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910112053) in Class 09
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910112169 in Class 21
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910112193) in Class 24
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910112231) in Class 25
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910207364) in Class 07
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910207372) in Class 28
Brazil	Third Party Opposing Sears Mark	Limpeza	SEARS (App. No. 910207399) in Class 36

With respect to the last sentence of Section 6.10(c) only:

1. Rob Gerlach, Divisional VP – Loyalty Marketing for SHC, is serving in the Middle East on a nine-month military deployment. In early October 2018, Mr. Gerlach e-mailed Eddie Lampert a video (<https://www.youtube.com/watch?v=Md5BiPn0b-k>) showing a retail store in Kuwait bearing the SEARS logo. After some internal investigation, it was determined that the store belonged to Al Husawi Group, a former Sears distributor. Sears forwarded the materials to its outside IP counsel, who contacted an IP firm in Kuwait to discuss potential next steps – including sending a cease and desist letter. At this point, Sears has not contacted Al Husawi regarding this issue.
2. In connection with the Proceedings listed below, the applicable third parties have used and filed to register the following Marks at Issue:

Country	Type of Proceeding	Other Party	Marks at Issue
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909339708) in Class 35
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909498865) in Class 07
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909420670) in Class 09
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909420742) in Class 11
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909420777) in Class 21
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909420807) in Class 24
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909420815) in Class 25
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909498938) in Class 28
Brazil	Opposition of Third-Party Mark	Limpeza	SEARS (App. No. 909499128) in Class 36

India	Opposition of Third-Party Mark	K. ANAND t/as CEARS MARKETING	CEARS (App. No. 1421296) in Class 11
India	Opposition of Third-Party Mark	Kmart Retail India Pvt. Ltd.	K KIDS MART and Design (App. 1641668) in Class 35
India	Opposition of Third-Party Mark	K MART TOURS (P) LTD.	K MART TOURS (P) LTD. (App. No. 1865978) in Class 39
India	Opposition of Third-Party Mark	Aggarwal Enterprises	K-Mark (App. No. 1166777) in Class 24
India	Opposition of Third-Party Mark	Besta Cosmetics Ltd.	Kmart and Design (App. No. 1132511) in Class 5
India	Opposition of Third-Party Mark	Sear Energy Pvt. Ltd.	SEAR ENERGY (App. No. 1584141) in Class 9
India	Opposition of Third-Party Mark	Ashok K Chhabra d/b/a Sears Enterprises	SEARS (App. No. 2474429) in Class 35
India	Opposition of Third-Party Mark	Sears Industries	SEARS (Appl. No. 2342129) in Class 21
Peru	Cancellation of Third-Party Registration	Corporacion Electronica Internacional S.A.C.	SEARS (App. No. 713022-2017) in Class 11

Schedule 6.10(e)

1. In mid-March 2018, [24]7.ai, a company that provides online support services to Sears and Kmart, notified Sears, as well as a number of other companies, that [24]7.ai had experienced a security incident in the fall of 2017. Sears believes this incident involved unauthorized access to less than 100,000 of Sears and Kmart customers' credit card information. After [24]7.ai informed Sears, Sears notified the credit card companies in order to prevent potential fraud, and launched an investigation with federal law enforcement authorities, Sears banking partners, and IT security firms.

As a result of the investigation, Sears discovered that an unauthorized individual incorporated a malicious script into code used by [24]7.ai to provide services on Sears.com and Kmart.com, which collected the names, addresses, and payment card information of customers who placed or attempted to place orders on the Sears.com or Kmart.com websites between September 27, 2017 and October 12, 2017, and entered their payment card information manually on the checkout screen. Sears notified credit card companies in order to prevent potential fraud, and launched a further investigation with federal law enforcement authorities, Sears banking partners and IT security firms. Sears sent emails and letters to affected customers notifying them of the breach, and released a press release to notify any other customer who attempted to place this type of order but had their payment card declined that such customer could also potentially be affected by the incident. Such press release notified affected customers of their rights under certain state and federal privacy regulations. Sears provided information regarding the incident to the Attorney General, and there are no outstanding requests at this time. [24]7.ai has fully remediated the vulnerabilities that enabled the unauthorized access, and Sears's CIO, Greg Russell and a third party auditor inspected [24]7.ai's systems and practices at [24]7.ai's facilities. In addition, Sears

obtained the PFI (Verizon) report and [24]7.ai's report from Crowdstrike, which also outlined all actions taken by [24]7.ai to remedy the situation.

2. In February 2017, a third party gained access to a small number of employee enterprise ID accounts, through phishing attacks. The third party changed these employees' direct deposit account information. The Company discovered the attempt, prevented any loss, and has fully remediated this particular situation including by requiring all employees to reset their enterprise passwords.

Schedule 6.10(g)

1. In 2018, Sears Protection Company received a generic reminder email from New York Department of Financial Services that was sent to all Covered Entities who had not yet submitted a certificate of compliance pursuant to 23 NYCRR 500 (the New York Department of Financial Services Cybersecurity Regulation). Sellers have not yet submitted such certificate of compliance, and are currently working with outside counsel to review and modify (if necessary) the cybersecurity programs, policies and practices of Sears Protection Company to ensure that Sears Protection Company is fully in compliance with 23 NYCRR 500, and to submit the certificate of compliance with a view toward submitting such certificate prior to the Closing. Sears Protection Company has not received a claim from any third party, including from the New York Department of Financial Services, in connection with any aspect of its compliance with 23 NYCRR 500.

Schedule 6.10(g)(ii)

1. Item 1 of Schedule 6.10(e) is incorporated herein by reference.

Schedule 6.11

Material Contracts

Schedule 6.11(a)

(i)

1. The collective bargaining agreements set forth in Schedule 6.9(a) are hereby incorporated by reference.

(ii)

1. Real Estate Sale Contract, dated as of November 29, 2018, by and between Sears, Roebuck and Co. and Other Seller Parties Named Herein and Amerco Real Estate Company, as amended.
2. Real Estate Contract, dated as of May 4, 2018, by and between KMART Corporation (“Seller”) and Amerco Real Estate Company (“Purchaser”), as amended by that certain Amendment to Real Estate Contract, dated as of December 14, 2018, by and between Seller and Purchaser.
3. Contract for Purchase and Sale of Property, dated as of June 4, 2018, by and between Sears, Roebuck and Co. (“Seller”) and LGR Investments, Ltd. (“Purchaser”), as amended by that certain First Amendment to Contract for Purchase and Sale of Property, dated as of September 10, 2018, by and between Seller and LGR Investments, Ltd., as amended by that certain Second Amendment to Contract for Purchase and Sale of Property, dated as of November 30, 2018, by and between Seller and Purchaser.
4. Real Estate Sale Contract, dated as of September 27, 2018, by and between SRC Facilities LLC (“Seller”) and Onward Investors Value Fund, L.P. (“Purchaser”), as amended by that certain Amendment to Real Estate Contract, dated as of October 29, 2018, by and between Seller and Purchaser, as amended by that certain Second Amendment to Real Estate Contract, dated as of November 2, 2018, by and between Seller and Purchaser, as amended by that certain Third Amendment to Real Estate Contract, dated as of November 9, 2018, by and between Seller and Purchaser, and as amended by that certain Fourth Amendment to Real Estate Contract dated as of November 26, 2018.
5. Real Estate Sale Contract, dated as of September 28, 2018, by and between KMART Corporation (“Seller”) and New Generation Properties, LLC (“Purchaser”), as amended by that certain Amendment to Real Estate Contract, dated as of December 10, 2018, by and between Seller and Purchaser.
6. Real Estate Sale Contract, dated as of August 13, 2018, by and between Sears, Roebuck and Co. (“Seller”) and Stonecrest Resorts, LLC, as predecessor in interest to Fitness Central SPE, LLC (“Purchaser”), as amended by that certain Amendment to Real Estate Contract, dated as of January 8, 2019, by and between Seller and Purchaser.
7. Real Estate Sale Contract, dated as of May 23, 2028, by and between KMART Corporation and Troy Coolidge No. 7, LLC, collectively, as seller and Rise Holdings, LLC, as purchaser.
8. Real Estate Sale Contract, dated as of July 25, 2018, by and between Troy Coolidge No. 10, LLC, KMART Corporation, and Sears, Roebuck and Co. (collectively, “Seller”) and Industrial Commercial Properties LLC (“Purchaser”), as amended by that certain First Amendment to Real Estate Sale Contract, dated as of September 24, 2028, by and between Seller and Purchaser, as amended by that certain Second Amendment to Real Estate Contract, dated as of December 19, 2018, by and between Seller and Purchaser.

9. Real Estate Sale Contract, dated as of December 27, 2018, by and between Sears, Roebuck and Co. and TQ Investments, LLC.
10. Exclusive Listing Agreement, dated as of December 13, 2018, by and between Sears Holding Corporation and Holliday GP Corp.
11. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and KPM Realty Advisors.
12. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and Stokas Realty Advisors, LLC.
13. Exclusive Listing Agreement, dated as of December 13, 2018, by and between Sears Holding Corporation and Pinpoint Retail Company, LLC.
14. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and JBRS Realty, LLC.
15. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Hurd Real Estate Services, LLC and LANE4 Property Group, Inc.
16. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and LANE4 Property Group, Inc.
17. Exclusive Listing Agreement, dated as of December 2018, by and between Sears Holding Corporation and Colliers International, MN., LLC.
18. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Investors Realty, Inc.
19. Exclusive Listing Agreement, dated as of December 2018, by and between Sears Holding Corporation and Morton G. Thalhimier, Inc.
20. Exclusive Listing Agreement, dated as of December 17, 2018, by and between Sears Holding Corporation and Venture Commercial Real Estate, LLC.
21. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and R.I. Properties, Inc.
22. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Legend Partners, LLP.
23. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and SullivanHayes Companies, NE, LLC.
24. Exclusive Listing Agreement, dated as of January 4, 2019, by and between Sears Holding Corporation and Legend Partners II
25. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and Wm, Bourdoures Co.
26. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and Southplace Properties, Inc.
27. Exclusive Listing Agreement, dated as of December 28, 2018, by and between Sears Holding Corporation and Legend Partners, LLC.
28. Exclusive Listing Agreement, dated as of December 17, 2018, by and between Sears Holding Corporation and Jones Lang La Salle America, Inc.

29. Exclusive Listing Agreement, dated as of December 20, 2018, by and between Sears Holding Corporation and The Trilogy Group, LLC.
30. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Metro Commercial Real Estate.
31. Exclusive Listing Agreement, dated as of December 19, 2018, by and between Sears Holding Corporation and Baker Storey McDonald Properties, Inc.
32. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and TRIO Commercial Property Group, LLC.
33. Exclusive Listing Agreement, dated as of December 2018, by and between Sears Holding Corporation and Metro Commercial Real Estate, Inc.
34. Exclusive Listing Agreement, dated as of December 2018, by and between Sears Holding Corporation and Metro Commercial Real Estate, Inc.
35. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and Stokas Realty Advisors, LLC.
36. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Howard Hanna WNY, Inc.
37. Exclusive Listing Agreement, dated as of December 12, 2018, by and between Sears Holding Corporation and The Chambers Group, LLC.
38. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and The Dartmouth Company.
39. Exclusive Listing Agreement, dated as of December 26, 2018, by and between Sears Holding Corporation and SRSA Commercial Real Estate, Inc.
40. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Avison Young Florida, LLC.
41. Exclusive Listing Agreement, dated as of December 10, 2018, by and between Sears Holding Corporation and NAMERA, Inc.
42. Exclusive Listing Agreement, dated as of December 14, 2018, by and between Sears Holding Corporation and Gehrki Commercial Real Estate.
43. Exclusive Listing Agreement, dated as of December 11, 2018, by and between Sears Holding Corporation and Edge Real Estate Group, LLC.
44. Exclusive Listing Agreement, dated as of December 28, 2018, by and between Sears Holding Corporation and Legend Partners, LLC
45. Exclusive Listing Agreement, dated as of December 2018, by and between Sears Holding Corporation and Jones Lang La Salle America, Inc.

(iii)

1. None.

(iv)

1. Kenmore License Agreement, dated May 18, 2006, by and between KCD IP, LLC and Sears, Roebuck and Co, as amended by First Amendment to Kenmore License Agreement, made effective as of November 29, 2009, Second Amendment to Kenmore License Agreement, dated March 7, 2012 and Third Amendment to Kenmore License Agreement, dated April 24, 2017.
2. Amended and Restated Merchandising Agreement, effective May 1, 2016, as amended March 8, 2017, July 10, 2017 and December 15, 2017, by and between Sears, Roebuck and Co., Kmart Corporation, and Sears Holdings Corporation, and Sears Hometown and Outlet Stores, Inc., Sears Authorized Hometown Stores, LLC, and Sears Outlet Stores, L.L.C.
3. The following Contracts, to the extent annual payments or consideration furnished by or to Sellers pursuant to such Contract is in excess of \$15,000,000:
 - a. First Amended and Restated Sublicense Agreement, dated April 1, 2005, by and between Sears Intellectual Property Management Company and Sears, Roebuck and Co.
 - b. License and Intellectual Property Management Agreement, dated February 1, 2003, by and between Sears Brands, LLC and Sears Intellectual Property Management Company.
 - c. Trademark License Agreement, dated December 14, 2001, by and between Sears, Roebuck and Co., and A&E Factory Service, LLC.
 - d. Amended and Restated License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart Corporation.
 - e. Sublicense Agreement, dated February 9, 2010, by and between Sears Brands Business Unit Corporation and Kmart Corporation.
 - f. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as a successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart.com LLC.
 - g. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., and Kmart of Michigan, Inc.
 - h. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as successor in interest to the trademark rights of Kmart of Michigan, Inc. and Kmart of Washington LLC.
 - i. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as a successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart Stores of Illinois LLC.
 - j. License Agreement, dated January 29, 2007, by and between Sears Brands, L.L.C., as a successor in interest to the trademark rights of Kmart of Michigan, Inc., and Kmart Stores of Texas LLC.
 - k. Sublicense Agreement, dated February 9, 2010, by and between Kmart Corporation and MyGofer LLC.
 - l. Sublicense Agreement, dated September 22, 2008, by and between Sears Brands Business Unit Corporation and Sears Brands Management Corporation as amended by First Amendment to Sublicense Agreement, dated November 24, 2008, and Second Amendment to Sublicense Agreement, dated April 30, 2012.
 - m. Sublicense Agreement, dated February 9, 2010, by and between Sears Brands Business Unit Corporation and Sears Holdings Management Corporation.

- n. Sublicense Agreement, dated February 9, 2010, by and between Sears, Roebuck and Co. and Sears Home Improvement Products, Inc.
- o. First Amended and Restated Sublicense Agreement, dated April 1, 2005, by and between Sears Brands Business Unit Corporation and Sears, Roebuck and Co. as amended by Amendment 1 to First Amended and Restated Sublicense Agreement, dated May 1, 2006, and Amendment 2 to First Amended and Restated Sublicense Agreement, dated January 1, 2008.
- p. Corporate Name Agreement, dated April 21, 2010, by and between Sears, Roebuck and Co. and Sears, Roebuck de Puerto Rico, Inc.
- q. Sublicense Agreement, dated April 21, 2010, by and between Sears, Roebuck and Co. and Sears, Roebuck de Puerto Rico, Inc.
- r. Sublicense Agreement, dated November 20, 2007, by and between Sears Intellectual Property Management Corporation and ServiceLive, Inc.

(v)

- 1. Transportation Agreement dated as of July 25, 2013, as amended, by and between Sears Logistics Services, Inc. and Circle 8 Logistics, Inc.
- 2. Supply Agreement for Auto Repair Parts, dated as of October 1, 2011, by and between Sears, Roebuck and Co. and AutoZone Parts, Inc., AutoZone Operations, Inc., AutoZone Northeast, Inc., AutoZone West, Inc., AutoZone Stores, Inc., AutoZone Puerto Rico, Inc., AutoZone Texas, L.P., and AutoZone Mississippi, Inc.
- 3. Master Outsourced Services Agreement, dated as of January 5, 2012, as amended, by and between Sears Holdings Management Corporation and Tata America International Corporation.
- 4. Transportation Agreement, dated as of July 27, 2007, as amended, by and between Sears Logistics Services, Inc. and AFN, LLC.
- 5. Service Contract, dated as of May 1, 2018, by and between Innovel Solutions, Inc.; KMART Corporation; Sears, Roebuck and Co; Sears Roebuck de Puerto Rico, Inc; Sears Puerto Rico and Maersk Inc. As agent to A.P. Moller-Maersk A/S trading under the name of MAERSK LINE.
- 6. Transportation Agreement, dated January 26, 2017, Innovel Solutions, Inc. and Echo Global Logistics, Inc.
- 7. Transportation Agreement, dated as of April 1, 1998, as amended, by and between Sears Logistics Services, Inc. and Heartland Express Inc., of Iowa.
- 8. Transportation Agreement, dated as of April 1, 1998, as amended, by and between Sears Logistics Services, Inc. and Dart International.
- 9. Transportation Agreement, dated as of April 1, 1998, as amended, by and between Sears Logistics Services, Inc. and Hub Group Operations Management, a division of Hub Group Associates, Inc.
- 10. Transportation Agreement, dated as of February 27, 2018, as amended, by and between Innovel Solutions Inc., formerly known as Sears Logistics Services, Inc. and Swift Transportation Co. of Arizona, LLC.
- 11. Master Services Agreement, dated as of April 1, 2014, as amended, by and between Sears Holdings Management Corporation on behalf of itself and its Affiliates and iCrossing, Inc.
- 12. Transportation Agreement, dated as of July 12, 2005, as amended by and between Sears Logistics Services, Inc. and Intermodal Sales Corp.

13. Warehouse Operating Agreement, dated as of June 1, 2014, by and between Sears Logistics Services, Inc. and 3PD, Inc.
14. Home Delivery & Shuttle Carrier Agreement, dated as of April 20, 2014, by and between Sears Roebuck and Co. and 3PD, Inc.
15. Home Delivery & Shuttle Carrier Agreement, dated as of April 20, 2014, by and between Sears Logistics Services, Inc. and XPO Last Mile, Inc.
16. Home Delivery & Shuttle Carrier Agreement, dated as of February 8, 2015, as amended, by and between Innovel Solutions, Inc. and XPO Last Mile, Inc.
17. Warehouse Operating Agreement, dated as of August 3, 2014, by and between Sears Logistics Services, Inc. and XPO Last Mile, Inc.
18. Warehouse Operating Agreement, dated as of February 8, 2015, by and between Sears Logistics Services, Inc. and XPO Last Mile, Inc.
19. Home Delivery & Shuttle Carrier Agreement, dated as of February 15, 2015, as amended, by and between Sears Roebuck and Co. and XPO Last Mile, Inc.
20. Distribution and Supply Agreement, dated as of September 6, 2003, as amended, by and between KMART Corporation including its subsidiaries and affiliates and McLane Company, Inc.
21. Master Purchase Agreement, dated as of November 8, 2017, by and between Sears, Roebuck and Co. d/b/a Sears Commercial and Cardinal Group Construction LLC.
22. Service Agreement, dated as of October 1, 2012, as amended, by and between A&E Factory Service, LLC and General Electric Company.
23. Supply Agreement, dated as of November 1, 2010, as amended, by and between Sears, Roebuck and Co., Kmart Corporation and Sears Brands Management and Apex Tool Group, LLC, Lea Way Hand Tool Limited, and Danaher Tool Limited.
24. Master Consulting and Professional Services Agreement, dated as of February 1, 2011, by and between Sears Holdings Management Corporation and UPS Professional Services, Inc.
25. Master Outsourced Services Agreement, dated as of September 1, 2012, as amended, by and between Sears Holdings Management Corporation and Sitel Operating Corporation.
26. Master Outsourced Services Agreement, dated as of January 1, 2017, by and between Sears Holdings Management Corporation and Sitel Operating Corporation.
27. Advertising Agency Agreement, dated as of March 1, 2014, as amended, by and between Sears Holdings Management Corporation and Havas Worldwide Chicago, Inc.
28. A&R IBM Customer Agreement, dated as of September 28, 2012, by and between Sears Holdings Management Corporation and IBM.
29. Waste Hauling Master Services Agreement, dated as of January 20, 2015, by and between Sears, Roebuck and Co., Kmart Corporation, Sears Roebuck de Puerto Rico, Inc., Sears Logistics Services, Inc. Sears Home Improvement Products, Inc. and Sears Hometown and Outlet Stores, Inc. and Waste Management National Services, Inc., as amended.
30. Transportation Agreement, dated as of May 31, 2001, by and between Sears Logistics Services, Inc. and Knight Transportation, Inc., as amended.
31. Universal Terms and Conditions dated as of August 18, 2006 by and between Sears Holdings Management Corporation and Husqvarna Outdoor Products, Inc.

32. Universal Terms and Conditions dated as of December 6, 2004 by and between Sears, Roebuck and Co. and Hasbro, Inc.
33. Universal Terms and Conditions dated as of January 12, 2010 by and between Sears Holdings Management Corporation and Zhongshan Galanz Consumer Electric Appliances Co. Ltd.
34. Universal Terms and Conditions dated as of July 15, 2004 by and between Sears, Roebuck and Co. and Mattel Sales Corp.
35. Universal Terms and Conditions dated as of May 23, 2008 by and between Sears Holdings Management Corporation and Permasteel, Inc.
36. Universal Terms and Conditions dated as of August 4, 2001 by and between Sears holdings Management Corporation and Prudent International Ltd.
37. Universal Terms and Conditions dated as of December 7, 2004 by and between Sears, Roebuck and Co. and Hasbro, Inc.
38. Universal Terms and Conditions dated as of December 15, 2001 by and between Sears Holdings Management Corporation and Samsung Electronics America, Inc., as amended.
39. Universal Terms and Conditions dated as of October 1, 2007 by and between Sears Holdings Management Corporation and Samsung Electronics America, Inc.
40. Universal Terms and Conditions dated as of September 21, 2006 by and between Sears Holdings Management Corporation and Samsung Electronics Co., Ltd.
41. Universal Terms and Conditions dated as of September 28, 2007 by and among Sears, Roebuck and Co., Kmart Corporation, all other subsidiaries of Sears Holdings Corporation, and Samsung Electronics America, Inc., as amended.
42. Supply Agreement for Garage Door Operators and Accessories Dated as of January 1, 2010 by and among Kmart Corporation, Sears, Roebuck and Co., Sears Brands Management Corporation and The Chamberlain Group, Inc., as amended.
43. Vendor Agreement to Supply Fixtures dated as of July 29, 2013 by and between Sears, Roebuck and Co. and Samsung Electronics America, Inc.
44. Vendor Agreement to Supply Fixtures dated as of October 10, 2008 by and between Sears, Roebuck and Co. and Samsung Electronics America, Inc.
45. Vendor Agreement to Supply Fixtures dated as of February 26, 2010 by and among Kmart Corporation, Sears, Roebuck and Co., and Samsung Electronics America, Inc.
46. Vendor Agreement to Supply Fixtures dated as of January 20, 2008 by and among Kmart Corporation, Sears, Roebuck and Co., and Samsung Electronics America, Inc.
47. Vendor Agreement to Supply Fixtures dated as of September 1, 2009 by and among Kmart Corporation, Sears, Roebuck and Co., and Samsung Electronics America, Inc.
48. Vendor Agreement to Supply Fixtures dated as of August 16, 2011 by and among Kmart Corporation, Sears, Roebuck and Co., and Samsung Electronics America, Inc.
49. Product Evaluation Agreement dated as of May 10, 2013 by and between Sears Holdings Management Corporation and Samsung Electronics America, Inc.
50. Subsidy Agreement dated as of July 25, 2014 by and among Sears Roebuck and Co., Kmart Corporation, other subsidies of Sears Holdings Corporation, including Sears Brands Management Corporation, and One World Technologies, Inc.

51. Amended and Restated Merchandising Agreement, dated May 1, 2016, by and among, Roebuck and Co., Kmart Corporation, Sears Holdings Corporation, Sears Hometown Outlet Stores, Inc., Sears Authorized Hometown Stores, LLC and Sears Outlet Stores L.L.C., as amended by Amendment to Amended and Restated Merchandising Agreement, dated March 8, 2017, Amendment No. 2 to Amended and Restated Merchandising Agreement, dated July 10, 2017, and Amendment No. 3 to Amended and Restated Merchandising Agreement, dated December 15, 2017.
52. Master Services Agreement, dated as of November 24, 2015, by and between Innovel Solutions, Inc. and Costco Wholesale Corporation.
53. B2B Agreement, dated as of May 1, 2014, by and between Sears Holdings Management Corporation and American Home Shield.

(vi)

1. Narendra N. Sinha – Promotional Offer Letter and ESA dated as of April 2, 2012.
2. Narendra N. Sinha – Internal Action Letter dated as of November 16, 2018.
3. Stephen L. Sitley – Internal Action – Promotion – Executive Agreement, dated as of November 20, 2017.
4. Stephen L. Sitley – Internal Action Letter dated as of October 8, 2018.
5. Robert B. Walsh – Offer Letter and ESA dated as of March 25, 2015.
6. Robert A. Riecker – Amended ESA – AIP Guarantee and Position Change dated as of October 13, 2016.
7. Robert A. Riecker – Offer Letter and ESA dated as of September 28, 2011.
8. Gregory G. Ladley – Cover Letter and Executive Agreement dated as of October 5, 2017.
9. Leena Munjal – Offer Letter and ESA dated as of October 17, 2012.
10. Mitch Bowling – Offer Letter and Executive Agreement dated as of October 27, 2017.
11. Jane Borden – Executive Agreement dated as of May 31, 2018.
12. Peter Boutros – Offer Letter and ESA dated as of November 10, 2015.
13. Gregory J. Russell – Executive Agreement dated as of January 1, 2018.
14. Peter Y. Lai – Executive Agreement dated as of May 9, 2018.
15. Robert J. Naedele Jr. – Offer Letter and ESA dated as of January 19, 2017.
16. William Liannane – Offer Letter and ESA dated as of May 27, 2016.
17. Mark D. Johnson – Executive Agreement dated as of August 29, 2018.
18. Spencer Insolia – Executive Agreement dated as of August 30, 2018.
19. Robert Phelen – SHC Letter – LTIP – RS Award dated as of March 16, 2016.
20. Robert A. Riecker – Internal Action Letter dated as of November 16, 2018.
21. Robert A. Riecker – Internal Action Letter dated as of April 21, 2017.
22. Greg Ladley – Internal Action Letter dated as of November 20, 2018.
23. Leena Munjal – Internal Action Letter dated as of November 16, 2018.

24. Peter Boutros – Internal Action Letter – Promotion – Executive Agreement dated as of September 27, 2018.
25. Robert J. Phelan – Internal Action Letter dated as of November 16, 2018.
26. Rajat Prakash – Internal Action Letter – Promotion dated as of March 29, 2018.
27. Rajat Prakash – Key Employee Retention Plan Bonus dated as of January 8, 2019.
28. Jennifer White – Executive Agreement dated as of June 4, 2018.
29. Jennifer White – Key Employee Retention Plan Bonus dated as of January 8, 2019.
30. Katherine L. Green – Offer Letter and ESA dated as of July 8, 2016.
31. Katherine L. Green – Key Employee Retention Plan Bonus dated as of January 8, 2019.

Schedule 6.11(c)

1. Blackhawk Network Inc. has shut off the Sellers' ability to activate gift cards post-bankruptcy under the Gift Card Marketing Services Agreement, dated as of February 10, 2003, by and between Blackhawk Network, Inc. and SHC Promotions, L.L.C., as amended. The Sellers have removed all gift cards from their sales floors.
2. Sellers have provided notice of termination of the Protection Agreement Benefit Administration services under the Master Outsourced Services Agreement, dated as of January 1, 2017, by and between Sears Holdings Management Corporation and Sitel Operating Corporation.

Schedule 6.11(d)

1. Universal Terms and Conditions – Michelin, dated as of June 13, 2014, by and between Sears Holdings Management Corporation and Michelin North America, as amended.
2. Supply Agreement for Tool Storage and Accessories, dated as of August 1, 2012, by and between Sears Holdings Management Corporation and Waterloo Industries, Inc.
3. Master Outsourced Services Agreement, dated as of January 5, 2012, by and between Sears Holdings Management Corporation and Tata America International Corporation, as amended.
4. Master Services Agreement, dated as of April 1, 2014, by and between Sears Holdings Management Corporation on behalf of itself and its Affiliates and iCrossing, Inc., as amended.
5. Direct to Customer Terms and Conditions, dated as of March 1, 2013, by and between Sears Holdings Management Corporation and VF Jeanswear Limited Partnership, as amended.
6. Direct to Customer Terms and Conditions, dated as of April 18, 2013, by and between Sears Holdings Management Corporation (together with its Affiliates) and Hanesbrands, Inc.
7. Universal Terms and Conditions, dated as of May 4, 2007, by and between Kmart Corporation (together with its subsidiaries), Sears, Roebuck and Co. (together with its subsidiaries) and all other subsidiaries of Sears Holdings Management Corporation and Hanesbrands, Inc.
8. Project Services Agreement, dated as of February 15, 2011, by and between Sears Holdings Management Corporation and The Procter & Gamble Distributing LLC.
9. Universal Terms and Conditions – International, dated as of November 12, 2007, by and between Sears Holdings Management Corporation and Hangzhou GreatStar Industrial Co., Ltd.

10. Supply Agreement for Tool Storage and Accessories, dated as of August 1, 2012, by and between Sears Holdings Management Corporation and Waterloo Industries, Inc.
11. Master Services Agreement, dated as of April 1, 2014, by and between Sears Holdings Management Corporation on behalf of itself and its Affiliates and iCrossing, Inc., as amended.
12. Universal Terms and Conditions, dated as of September 3, 1996, by and between Sears Roebuck and Co. and Wolverine World Wide Inc.
13. Letter Agreement, dated as of September 28, 2005, by and between Sears Roebuck and Co. and Wolverine World Wide Inc.
14. Vendor Terms Exception Request, dated as of June 13, 2018, by and between Sears Roebuck and Co. and Wolverine World Wide Inc.
15. Amended and Restated Sears Holdings and IBM Customer Agreement, dated as of September 28, 2012, by and between Sears Holdings Management Corporation and International Business Machines Corporation.
16. Amended and Restated Master Agreement for Outsourcing and Transport Services, dated as of February 22, 2012, by and between Sears Holdings Management Corporation and AT&T Corp.
17. Amended and Restated Master Services Agreement, dated as of July 7, 2014, by and between Innovel Solutions, Inc. f/k/a Sears Logistics Services, Inc. and UPS Supply Chain Solutions, Inc., as amended.
18. Master Services Agreement, dated as of September 1, 2012, by and between Sears Holdings Management Corporation and Sitel Operating Corporation.
19. Universal Terms and Conditions, dated as of March 27, 1998, by and between Sears Holdings Management Corporation and Icon Health & Fitness Inc.
20. Diehard Supply, Sales Agent and Servicing Agreement for Batteries dated as of September 1, 2014 by and among Kmart Corporation, Sears, Roebuck and Co., Sears Brands Management Corporation and East Penn Manufacturing Co., as amended.
21. Alliance Agreement for Home Appliances dated as of May 19, 2008 by and among Kmart Corporation, Sears, Roebuck and Co., LG Electronics, Inc., and LG Electronics USA Inc., as amended.
22. Supply Agreement for Lawn Power Tools dated as of February 3, 2008 by and among Sears, Roebuck and Co., Kmart Corporation, Sears Canada Inc., Husqvarna Outdoor Products Inc., and Husqvarna Canada Corp., as amended.
23. Supply Agreement for Tractors and Mowers dated as of November 16, 2009 by and among Sears, Roebuck and Co., Kmart Corporation, Sears Brands Management Corporation, and Husqvarna Consumer Outdoor Products N.A., Inc., as amended.
24. Supply Agreement for Tractors, Mowers, and Tillers effective as of January 1, 2009 by and among Sears, Roebuck and Co., Kmart Corporation, Sears international Marketing Inc., and Husqvarna Consumer Outdoor Products N.A., Inc.
25. Strategic Sourcing Supply Agreement for Tractors and Mowers dated as of December 9, 2003 by and between Sears, Roebuck and Co. and Electrolux Home Products Inc.
26. Supply Agreement for Auto Tires dated as of May 1, 2016 by and between Sears, Roebuck and Co. and Hankook Tire America Corp., as amended.
27. Direct to Customer Terms and Conditions dated as of December 1, 2011 by and between Sears Holdings Management Corporation and Permasteel, Inc.

28. A&R Blackhawk Network Alliance Partners Agreement, dated as of February 1, 2013, by and between Blackhawk Network, Inc. and SHC Promotions, L.L.C., as amended.
29. Gift Card Marketing Services Agreement, dated as of February 10, 2003, by and between Blackhawk Network, Inc. and SHC Promotions, L.L.C., as amended.
30. Professional Seller Program, dated as of June 29, 2017, by and among Sears Protection Company, Amazon Services LLC, and Amazon Payments, Inc.
31. Vendor Terms and Conditions, dated as of May 25, 2017, by and between Amazon Fulfillment Services, Inc. and Sears Brands Management Corporation, as amended.

Schedule 6.14

Litigation

1. Nina Greene and Gerald Greene v. Sears Protection Company, Sears, Roebuck and Co., Sears Holdings Corporation, Case Number 1:15 cv 02546, US District Court for Northern District of Illinois Eastern Division, served March 26 2015.
2. Schedule 6.10(c)(ii) and Schedule 6.10(c)(iii) are incorporated herein by reference.

Schedule 7.1

Equity Interests in Buyer

1. Transform Holdco LLC is a Delaware limited liability company
2. The sole owner of Transform Holdco LLC is ESL Investments, Inc., a Delaware Corporation
3. The sole owner of ESL Investments, Inc. is Edward S. Lampert

Exhibit 8

8-K 1 d647911d8k.htm 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

October 10, 2018
Date of Report (Date of Earliest Event Reported)

SEARS HOLDINGS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-51217, 001-36693
(Commission
File Number)

20-1920798
(I.R.S. Employer
Identification No.)

3333 Beverly Road
Hoffman Estates, Illinois 60179
(Address Of Principal Executive Offices, including Zip Code)

Registrant's Telephone Number, Including Area Code: (847) 286-2500

Not Applicable
(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.03 Bankruptcy or Receivership*Chapter 11 Filing*

On October 15, 2018 (the “Petition Date”), Sears Holdings Corporation (the “Company”) and the subsidiaries of the Company listed in Exhibit 99.1 (collectively, the “Debtors”) filed voluntary petitions (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) seeking relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. To ensure their ability to continue operating in the ordinary course of business, the Debtors have filed with the Bankruptcy Court motions seeking a variety of “first-day” relief (collectively, the “First Day Motions”), including authority to obtain debtor-in-possession financing, pay employee wages and benefits, honor member programs, and pay vendors and suppliers in the ordinary course for all goods and services provided after the Petition Date.

Senior “Debtor-in-Possession” Financing

Pursuant to a term sheet dated as of October 15, 2018 (the “DIP ABL Term Sheet”), by and among Sears Roebuck Acceptance Corp. (“SRAC”) and Kmart Corporation (“Kmart”), as borrowers (SRAC and Kmart, together the “DIP ABL Borrowers”), the Company and the Debtors other than SRAC and Kmart, as guarantors (the “Guarantors”), the lenders party thereto from time to time, including each prepetition lender that chooses to roll up its prepetition extensions of credit (the “DIP ABL Lenders”), and Bank of America, N.A. (“BofA”), as administrative agent for the DIP ABL Lenders and BofA and Wells Fargo Bank, National Association (“Wells Fargo”) as co-collateral agents, BofA, Wells Fargo and the DIP ABL Lenders have committed to provide a senior secured superpriority priming debtor-in-possession asset-based credit facility in an aggregate principal amount of approximately \$1.830 billion (assuming 100% participation by prepetition lenders) (the “DIP ABL Facility”), representing an estimated increase to availability under the existing facility of \$300 million, with up to \$50 million of such DIP ABL Facility available for the issuance of standby letters of credit. The DIP ABL Facility is subject to the approval of the Bankruptcy Court. The proceeds of loans extended under the DIP ABL Facility will be used for purposes permitted by orders of the Bankruptcy Court, including (i) for working capital and other general corporate purposes of the DIP ABL Borrowers, (ii) to pay transaction costs, professional fees and other obligations and expenses incurred in connection with the DIP ABL Facility, the Chapter 11 Cases and the transactions contemplated thereunder, and (iii) to pay adequate protection expenses, if any, to the extent set forth in any order entered by the Bankruptcy Court.

The DIP ABL Facility will mature on the earliest of (i) the date that is 12 months after the Petition Date, (ii) 36 days after the Petition Date, if the final order with respect to the DIP ABL Facility has not been approved by the Bankruptcy Court, (iii) 43 days after the interim order with respect to the DIP ABL Facility has been entered by the Bankruptcy Court, if the final closing date of the DIP ABL Facility has not occurred, (iv) the substantial consummation of a Chapter 11 plan of reorganization of the Debtors (the “Plan”), (v) the consummation of a sale of all or substantially all of the prepetition ABL collateral and (vi) the date of termination of the DIP ABL Lenders’ commitments and the acceleration of the outstanding loans, in each case, under the DIP ABL Facility. Subject to an intercreditor agreement and certain exceptions, the DIP ABL Facility will be secured by a senior perfected security interest in substantially all of the assets of the DIP ABL Borrowers and the Guarantors, including the prepetition ABL collateral and other previously unencumbered assets.

The Company will pursue a going-concern sale process for the remaining stores after the closures described in Item 2.05 below. The Debtors have set a deadline of December 15, 2018 to obtain and find acceptable a non-contingent and fully-financed stalking horse bid for the sale of these stores that is reasonably acceptable to the DIP ABL Lenders. If no such bid (or financing) is achieved by December 15, 2018, the DIP ABL Lenders may direct the loan parties to sell or liquidate these assets and other collateral in order to maximize value for the Debtors' estates.

Item 2.03. Creation of a Direct Financial Obligation or Obligation under an Off Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.03 of this Form 8-K regarding the DIP ABL Term Sheet is incorporated herein by reference.

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The commencement of the Chapter 11 Cases constitutes an event of default that accelerated the obligations under the following debt instruments (the "Debt Instruments"):

- Third Amended and Restated Credit Agreement, dated as of July 21, 2015 (as amended, supplemented or otherwise modified from time to time), between the Company, SRAC, and Kmart, the lenders party thereto, and Bank of America, N.A., as agent, related to \$1.656 billion outstanding aggregate principal amount of revolving and term loans and letters of credit;
- Letter of Credit and Reimbursement Agreement, dated as of December 28, 2016 (as amended, supplemented or otherwise modified from time to time), among the Company, SRAC, and Kmart, the financial institutions party thereto from time to time as L/C Lenders, and Citibank N.A., as Administrative Agent and Issuing Bank, related to \$271.1 million outstanding aggregate principal amount of letters of credit;
- Second Lien Credit Agreement, dated as of September 1, 2016 (as amended, supplemented, or otherwise modified from time to time), between the Company, SRAC and Kmart, the lenders party thereto, and JPP, LLC as administrative agent and collateral administrator, related to \$887.1 million outstanding aggregate principal amount of term loans, line of credit loans and alternative tranche line of credit loans;
- Credit Agreement, dated as of March 14, 2018 (as amended, supplemented, or otherwise modified from time to time), among SRC O.P. LLC, SRC Facilities LLC and SR Real Estate (TX) LLC, as the borrowers, the lenders party thereto, UBS AG, Stamford Branch, LLC as administrative agent, and UBS Securities LLC, as lead arranger and bookrunner, related to \$111.0 million outstanding aggregate principal amount of term loans;
- Mezzanine Loan Agreement, dated as of March 14, 2018 (as amended, supplemented, or otherwise modified from time to time), among SRC Sparrow 2 LLC, as borrower, JPP, LLC and JPP II, LLC as lenders, and JPP, LLC, as administrative agent, related to \$513.2 million outstanding aggregate principal amount of term loans;

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- Indenture, dated as of October 12, 2010 (as amended, supplemented, or otherwise modified from time to time), among the Company, the guarantors party thereto and Wilmington Trust, National Association (successor to Wells Fargo Bank, National Association) as Trustee and Collateral Agent, governing the 6 5/8% Senior Secured Notes which mature on October 15, 2018, of which \$89.0 million aggregate principal amount are outstanding;
 - Indenture, dated as of March 20, 2018 (as amended, supplemented, or otherwise modified from time to time), by and among the Company, the guarantors party thereto and Computershare Trust Company, N.A., governing the 6 5/8% Senior Secured Convertible PIK Toggle Notes which mature on October 15, 2019, of which \$175.4 million aggregate principal amount are outstanding;
 - Indenture, dated as of November 21, 2014 (as amended, supplemented, or otherwise modified from time to time), by and between the Company and Computershare Trust Company, N.A., as Trustee, governing the 8% Senior Unsecured Notes which mature on December 15, 2019, of which \$411.0 million aggregate principal amount are outstanding;
 - Second Supplemental Indenture, dated as of March 20, 2018 (as amended, supplemented, or otherwise modified from time to time), by and between the Company and Computershare Trust Company, N.A., as Trustee, governing the 8% Senior Unsecured Notes Convertible PIK Notes which mature on December 15, 2019, of which \$222.6 million aggregate principal amount are outstanding;
 - Third Amended and Restated Loan Agreement, dated as of June 4, 2018 (as amended, supplemented, or otherwise modified from time to time), among the Company, as guarantor, the subsidiaries of the Company party thereto as borrowers, JPP, LLC, as Agent, and the lenders party thereto, related to \$831.4 million outstanding aggregate principal amount of term loans;
 - Term Loan Credit Agreement, dated as of January 4, 2018 (as amended, supplemented, or otherwise modified from time to time), among the Company, SRAC and Kmart, as borrowers, the subsidiaries of the Company party thereto, the lenders party thereto from time to time, and JPP, LLC as administrative and collateral agent, related to \$231.2 million outstanding aggregate principal amount of term loans;
 - Indenture, dated as of May 15, 1995 (as amended, supplemented, or otherwise modified from time to time), between SRAC and The Bank of New York Mellon Trust Company, N.A. (successor trustee to The Chase Manhattan Bank, N.A.), governing the 7.50% Notes due 2027 which mature on October 15, 2027, the 6.75% Notes due 2028, which mature on January 15, 2028, the 6.50% Notes due 2028, which mature on December 1, 2028, the 7.00% Notes due 2032, which mature on June 1, 2032, the 7.00% Notes due 2042, which mature on July 15, 2042, and the 7.40% Notes due 2043, which mature on February 1, 2043, of which \$185.5 million aggregate principal amount are outstanding;
 - Supplemental Indenture, dated as of March 20, 2018 (as amended, supplemented, or otherwise modified from time to time), among SRAC, Sears, Roebuck and Co., the guarantor parties thereto, and the Bank of New York Mellon Trust Company, N.A. (successor trustee to The Chase Manhattan Bank, N.A.), governing the 7.00% / 12.00% PIK-Toggle Notes due March 31, 2028, of which \$107.9 million aggregate principal amount are outstanding; and
 - Indenture, dated as of October 1, 2002 (as amended, supplemented, or otherwise modified from time to time), between SRAC and BNY Midwest Trust Company, governing various intercompany medium-term notes, with various rates of interest and maturities ranging from October 25, 2018 to March 12, 2024, of which \$2.3 billion aggregate principal amount are outstanding.

Any efforts to enforce payment obligations under the Debt Instruments are automatically stayed as a result of the filing of the Chapter 11 Cases and the holders' rights of enforcement in respect of the Debt Instruments are subject to the applicable provisions of the Bankruptcy Code.

Item 2.05. Costs Associated with Exit or Disposal Activities.

The First Day Motions filed by the Debtors with the Bankruptcy Court include a motion to reject leases at approximately 220 locations, nearly all of which are "dark store" locations at which the Debtors have already ceased ongoing operations, and another motion to commence "going out of business sales" at 142 unprofitable stores that the Company expects to close near the end of the year. This is in addition to the previously-announced closure of 46 unprofitable stores that is expected to be completed by November 2018. Based upon their continuing review, the Debtors may file additional motions seeking relief from the Bankruptcy Court to reject other leases and contracts. The Company is not able to estimate at this time the amount, nature and timing of restructuring and impairment charges that will be incurred as a result of these actions.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officer

Chief Executive Officer Transition

On October 14, 2018, Mr. Lampert stepped down as Chief Executive Officer of the Company. He will continue to serve as Chairman of the Company's Board of Directors (the "Board"). To fulfill the responsibilities of the Chief Executive Officer, the Board has created an Office of the Chief Executive, which will be composed of the following officers of the Company: Robert A. Riecker, Chief Financial Officer, Leena Munjal, Chief Digital Officer, and Greg Ladley, President of Apparel and Footwear.

Mr. Riecker was appointed to his current position in April 2017, and had served as Controller and Head of Capital Markets Activities since October 2016. He joined the Company as Assistant Controller in October 2005 and served as Vice President and Assistant Controller from May 2007 to October 2011. From October 2011 until his election as Vice President, Controller and Chief Accounting Officer in January 2012, he served as the Company's Vice President, Internal Audit.

Ms. Munjal was appointed to her current position in January 2018. She previously served as Senior Vice President, Customer Experience and Integrated Retail, since October 2012. She was appointed as Divisional Vice President, Integrated Retail and Member Experience, in July 2011 and was promoted to Vice President in June 2012. From October 2009 to June 2011, she served as Divisional Vice President, and Chief of Staff, Office of the Chairman, and served as Chief of Staff, Office of the CEO, from November 2007 to November 2009. Ms. Munjal joined the Company as Director, Information Technology, in March 2003.

Mr. Ladley was appointed to his current position in February 2018. He previously served as President, Apparel since joining the Company in October 2017. Prior to joining the Company, Mr. Ladley served as Senior Vice President, Luxury Brands Global Strategy, at Ralph Lauren.

There is no arrangement or understanding pursuant to which any of the members of the Office of the Chief Executive was appointed to that position and none has any family relationships with any executive officer or director of the Company, or persons nominated or chosen by the Company to become directors or executive officers. Furthermore, the Company is not aware of any transaction requiring disclosure under Item 404(a) of Regulation S-K.

Director Appointment

On October 11, 2018, William L. Transier, Chief Executive Officer of Transier Advisors LLC, was elected to the Board. Mr. Transier will hold office until the 2019 annual meeting of stockholders of the Company, or until his successor is duly elected and qualified. The Board has determined that Mr. Transier meets the standards of independence under the Company's Corporate Governance Guidelines and the applicable NASDAQ listing rules. There is no arrangement or understanding between Mr. Transier and any other person pursuant to which he was selected as a director. Mr. Transier has been appointed as a member of the restructuring committee of the Board (the "Restructuring Committee") discussed below. As a non-employee director, Mr. Transier is entitled to receive compensation in the same manner as the Company's other non-employee directors and will also receive compensation for service on the Restructuring Committee. For a description of the Company's non-employee director compensation program, see "Compensation of Directors" in the Company's Proxy Statement for the 2018 Annual Meeting of Stockholders, filed with the Securities and Exchange Commission on March 29, 2018.

Restructuring Committee

The Board has formed a Restructuring Committee consisting solely of independent directors to, among other things, review and evaluate strategic alternatives available to the Company, including the restructuring of indebtedness and sale of assets. The Restructuring Committee has decision-making authority over transactions in which ESL or its affiliates (excluding the Company) has indicated an interest in participating or has a conflict of interest by virtue of its security interest in an asset or otherwise.

The members of the Restructuring Committee are Alan J. Carr, Paul G. DePodesta, Ann N. Reese, and William L. Transier. Each member of the Restructuring Committee will receive a fee of \$25,000 per month for his or her service on the Restructuring Committee.

Appointment of Chief Restructuring Officer

On October 10, 2018, the Company appointed Mohsin Y. Meghji, Managing Partner of M-III Advisory Partners, LP ("M-III"), as Chief Restructuring Officer of the Company ("CRO"). Mr. Meghji has joined the Company's senior management team and will help lead the Company's restructuring efforts, reporting to the Restructuring Committee.

The services of Mr. Meghji and other M-III personnel are being provided pursuant to an engagement letter between the Company and M-III. Mr. Meghji will not receive any compensation directly from the Company. There is no other arrangement or understanding pursuant to which Mr. Meghji was appointed CRO of the Company. Mr. Meghji has no family relationships with any executive officers or directors of the Company, or persons nominated or chosen by the Company to become directors or executive officers. Furthermore, the Company is not aware of any transaction requiring disclosure under Item 404(a) of Regulation S-K.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On October 14, 2018, the Board approved and adopted amendments to the Company's Amended and Restated By-Laws to add after the words "In the absence or incapacity of the Chief Executive Officer, the Board of Directors shall determine which other officer shall perform the duties of that office" the following: "or establish an Office of the Chief Executive to perform such duties and designate the individuals who shall serve in such office from time to time."

Item 7.01 Regulation FD Disclosure.

The Company cautions that trading in the Company's securities during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual recovery, if any, by the holders of the Company's securities in the Chapter 11 Cases. The Company expects that its equity holders could experience a significant or complete loss on their investment, depending on the outcome of the Chapter 11 Cases.

Additional information is available on the Company's restructuring website at restructuring.searsholdings.com. For documents filed with the Bankruptcy Court and other documents related to the court-supervised process, please visit <http://restructuring.primeclerk.com/sears>, call (844) 384-4460 (for toll-free domestic calls) and +1 (929) 955-2419 (for tolled international calls), or email searsinfo@primeclerk.com.

A copy of the press release dated October 15, 2018 issued by the Company is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information set forth in Item 7.01 of this Form 8-K is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in Item 7.01 of this Form 8-K shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing.

**Private Securities Litigation Reform Act of 1995 –
A Caution Concerning Forward-Looking Statements**

This Form 8-K includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this filing that address activities, events or developments that the Company expects, believes, targets or anticipates will or may occur in the future are forward-looking statements. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which could include the following: risks and uncertainties relating to the Chapter 11 Cases, including but not limited to, the Company's ability to obtain Bankruptcy Court approval with respect to motions in the Chapter 11 Cases, the effects of the Chapter 11 Cases on the Company and on the interests of various constituents, Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general, the length of time the Company will operate under the Chapter 11 Cases, risks associated with third-party motions in the Chapter 11 Cases, the potential adverse effects of the Chapter 11 Cases on the Company's liquidity or results of operations and increased legal and other professional costs necessary to execute the Company's reorganization; the conditions to which the Company's senior debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of the Company's control; the Company's

ability to obtain junior debtor-in-possession financing and the amount, terms and conditions of any such financing; the impact of and ability to successfully implement store closures and to right-size the Company's operating model; the Company's ability to consummate sales of its store base and other assets and the terms and conditions of any such sales; the Company's ability to implement operational improvement efficiencies; uncertainty associated with evaluating and completing any strategic or financial alternative as well as the Company's ability to implement and realize any anticipated benefits associated with any alternative that may be pursued; the consequences of the acceleration of our debt obligations; trading price and volatility of the Company's common stock and the ability of the Company to remain listed on Nasdaq as well as other risk factors set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. The Company therefore cautions readers against relying on these forward-looking statements. All forward-looking statements attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	List of Subsidiaries that are Debtors
99.2	Press Release, dated October 15, 2018

Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	List of Subsidiaries that are Debtors
99.2	Press Release, dated October 15, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEARS HOLDINGS CORPORATIONBy: /s/ Robert A. RieckerRobert A. Riecker
Chief Financial Officer

Dated: October 15, 2018

Exhibit 9

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Fiscal Year Ended February 3, 2018

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission file number 000-51217, 001-36693

SEARS HOLDINGS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State of Incorporation)

20-1920798
(I.R.S. Employer Identification No.)

3333 Beverly Road, Hoffman Estates, Illinois
(Address of principal executive offices)

60179
(Zip Code)

Registrant's Telephone Number, Including Area Code: (847) 286-2500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	The NASDAQ Stock Market
Warrants to Purchase Common Stock	The NASDAQ Stock Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such response) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer (Do not check if a smaller reporting company) ☐

Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On March 16, 2018, the registrant had 107,957,410 shares of common stock outstanding. The aggregate market value (based on the closing price of the Registrant's common stock for stocks quoted on the NASDAQ Global Select Market) of shares of the Registrant's common stock owned by non-affiliates as of the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$200 million.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the Registrant's definitive proxy statement relating to our Annual Meeting of Stockholders to be held on May 9, 2018 (the "2018 Proxy Statement"), which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Form 10-K relates.

receivables of \$293 million, partially offset by cash used for capital expenditures of \$80 million. For 2016, net cash flows from investing activities primarily consisted of cash proceeds from the sale of properties and investments of \$386 million, partially offset by cash used for capital expenditures of \$142 million. For 2015, net cash flows from investing activities primarily consisted of cash proceeds from the sale of properties and investments of \$2.7 billion, partially offset by cash used for capital expenditures of \$211 million. Proceeds from the sales of properties and investments in 2015 included approximately \$2.6 billion of net proceeds from the Seritage transaction.

We spent \$80 million, \$142 million and \$211 million during 2017, 2016 and 2015, respectively, for capital expenditures. Capital expenditures during all three years primarily included investments in online and mobile shopping capabilities, enhancements to the Shop Your Way platform, information technology infrastructure and store maintenance.

We anticipate 2018 capital expenditure levels to be similar to 2017 levels. In the normal course of business, we consider opportunities to purchase leased operating properties, as well as offers to sell owned, or assign leased, operating and non-operating properties. These transactions may, individually or in the aggregate, result in material proceeds or outlays of cash and cause our capital expenditure levels to vary from period to period. In addition, we review leases that will expire in the short term in order to determine the appropriate action to take with respect to them.

Financing Activities

During 2017, the Company used net cash flows in financing activities of \$2 million, which consisted of debt repayments of \$1.4 billion and the payment of debt issuance costs of \$43 million, offset by proceeds from debt issuances of \$1.0 billion, an increase in short-term borrowings of \$271 million and \$106 million of net cash proceeds received from sale-leaseback financing transactions.

During 2016, we generated net cash flows from financing activities of \$1.2 billion, which consisted of proceeds from debt issuances of \$2.0 billion and \$71 million of net cash proceeds received from a sale-leaseback financing transaction for five Sears Full-line stores and two Sears Auto Centers that have continuing involvement, partially offset by a decrease in short-term borrowings of \$797 million, debt repayments of \$66 million and the payment of debt issuance costs of \$51 million.

During 2015, the Company used net cash flows in financing activities of \$364 million, which consisted of debt repayments of \$1.4 billion, of which \$927 million was the purchase of Senior Secured Notes pursuant to the tender offer and \$400 million was the repayment of the secured short-term loan, the payment of debt issuance costs of \$50 million related to the amendment and extension of our Domestic Credit Facility and fees related to the tender offer related to our Senior Secured Notes. These uses of cash were partially offset by an increase in short-term borrowings of \$583 million and \$508 million of net cash proceeds from sale-leaseback financing, which consisted of \$426 million of proceeds from the JV transactions received during 2015 and \$82 million of proceeds received in 2015 related to four joint venture properties that have continuing involvement.

During 2017, 2016 and 2015, we did not repurchase any of our common shares under our share repurchase program. The common share repurchase program was initially announced in 2005 and had a total authorization since inception of the program of \$6.5 billion. At February 3, 2018, we had approximately \$504 million of remaining authorization under the program. The common share repurchase program has no stated expiration date and share repurchases may be implemented using a variety of methods, which may include open market purchases, privately negotiated transactions, block trades, accelerated share repurchase transactions, the purchase of call options, the sale of put options or otherwise, or by any combination of such methods.

Uses and Sources of Liquidity

Our primary need for liquidity is to fund working capital requirements of our businesses, capital expenditures and for general corporate purposes, including debt repayments and pension plan contributions. The Company has taken a number of actions to support its ongoing transformation efforts, while continuing to support its operations and meet its obligations in light of the incurred losses and negative cash flows experienced over the past several years. These actions included:

- The completion of various secured and unsecured financing transactions, the extension of the maturity of certain of our indebtedness, and the amendment to other terms of certain of our indebtedness to increase our overall financial flexibility, including:
 - a \$750 million Senior Secured Term Loan (the "2016 Term Loan") under its domestic credit facility maturing in July 2020;
 - a \$500 million real estate loan facility in April 2016 (the "2016 Secured Loan Facility"), initially maturing in July 2017, initially extended to January 2018, subsequently extended to April 2018, and then further extended to July 2018, subject to the payment of an extension fee;
 - an additional \$500 million real estate loan facility in January 2017 (the "2017 Secured Loan Facility"), maturing in July 2020;
 - a Second Lien Credit Agreement in September 2016, pursuant to which the Company borrowed \$300 million under a term loan (the "Second Lien Term Loan"), maturing in July 2020;
 - an amendment in July 2017 to the Second Lien Credit Agreement to provide for the creation of a \$500 million uncommitted second-lien line of credit loan facility under which the Company may borrow line of credit loans (the "Line of Credit Loans"), and a subsequent amendment to that facility to extend the maximum duration of the Line of Credit Loans from 180 days to 270 days and permit total borrowings of up to \$600 million;
 - a Letter of Credit and Reimbursement Agreement in December 2016, originally providing for up to a \$500 million secured standby letter of credit facility (the "LC Facility") from certain affiliates of ESL Investments, Inc. ("ESL");
 - a \$200 million real estate loan facility (the "Incremental Loans") in October 2017, with the Incremental Loans maturing in April 2018, with the option to extend to July 2018, subject to the extension of the 2016 Secured Loan Facility;
 - the extension of the maturity date of the initial \$1.0 billion term loan (the "Term Loan") under our Amended Domestic Credit Agreement from June 2018 to January 2019 (with a right of the borrowers thereunder to further extend such maturity, subject to the satisfaction of certain conditions, to July 2019);
 - amendments to our Amended Domestic Credit Agreement and certain other indebtedness which reduced the aggregate revolver commitments from \$1.971 billion to \$1.5 billion, but also implemented other modifications to covenants and reserves against the domestic credit facility borrowing base that improved net liquidity, and increased the maximum permissible short-term borrowings of the Company from \$750 million to \$1.25 billion;
 - a Term Loan Credit Agreement in January 2018 providing for a secured term loan facility (the "Term Loan Facility"), secured by substantially all of the unencumbered intellectual property of the Company and its subsidiaries, other than intellectual property relating to the Kenmore and DieHard brands, as well as by certain real property interests, in each case subject to certain exclusions. An aggregate principal amount of \$250 million was borrowed with the ability to borrow an additional \$50 million against the same collateral;
 - an amendment to the indenture governing our 6 5/8% Senior Secured Notes due 2018 to increase the maximum permissible borrowings secured by inventory to 75% of book value of such inventory from 65% and defer the collateral coverage test for purposes of the repurchase offer covenant in the indenture to restart it with the second quarter of 2018 (such that no collateral coverage event can occur until the end of the third quarter of 2018);
 - an amendment to the March 2016 Pension Plan Protection and Forbearance Agreement (the "PPPPFA") with the Pension Benefit Guaranty Corporation (the "PBGC") providing for the release of 138 of our properties from a ring-fence arrangement created under our five-year PPPFA in exchange for the payment of approximately \$407 million into the Sears pension plans. This agreement provides the Company with financial flexibility through the ability to monetize properties, and, in addition, provides funding relief from contributions to the pension plans for the next two years; and

- various commercial paper issuances to meet short-term liquidity needs, with the maximum amount outstanding during fiscal 2017 of \$160 million.
- Achievement of \$1.25 billion in annualized cost savings in 2017 as part of the restructuring program announced earlier this year. Actions taken to realize the annualized cost savings have included simplification of the organizational structure of Holdings, streamlining of operations, reducing unprofitable categories and the closure of under-performing stores. In 2017, we closed approximately 435 stores, and an additional 103 stores previously announced for closure are expected to be closed by the end of the first quarter of 2018. As a result of these actions, the Company has begun to see improvement in the operations in fiscal 2017, as the restructuring program actions, including the closing of unprofitable stores, have begun to take effect.
- The sale of the Craftsman brand to Stanley Black & Decker for consideration consisting of cash payments and a royalty.
- Sales of properties and investments for proceeds of \$1.1 billion and \$386 million in 2017 and 2016, respectively.

On March 8, 2018, the Company secured an additional \$100 million incremental real estate loan (the "Second Incremental Loan"), pursuant to an amendment to the Second Amended and Restated Loan Agreement, dated as of October 18, 2017, with JPP, LLC and JPP II, LLC, entities affiliated with ESL Investments, Inc. The Second Incremental Loan is secured by the same real estate properties as the 2017 Secured Loan Facility, and certain properties under the previous Incremental Loans outstanding, and matures in July 2020. The Company used the proceeds from the Incremental Loan for general corporate purposes.

In March 2018, the Company also closed on the \$200 million Secured Loan and the \$240 million Mezzanine Loan, both as defined in Note 3 of Notes to Consolidated Financial Statements, in connection with the release of 138 of our properties from the ring-fence arrangement with the PBGC as described above. The properties, which have an aggregate appraised value of nearly \$980 million, serve as collateral for the Secured Loan, and the Mezzanine Loan is secured by pledge of the equity interests in the direct parent company of the entities that own such properties. The Company contributed approximately \$282 million of the proceeds of such loans to our pension plans, and deposited \$125 million into an escrow for the benefit of our pension plans. The Mezzanine Loan Agreement, as defined in Note 3 of Notes to Consolidated Financial Statements, contains an uncommitted accordion feature pursuant to which we may incur additional loans of not more than \$200 million in aggregate, subject to certain conditions, including that such additional loans not exceed an amount equal to the principal amount of the Secured Loan repaid. The Company expects to pay down the Secured Loan over the next three to six months using proceeds generated from the sale of the underlying properties.

In February 2018, the Company commenced private exchange offers for its outstanding 8% Senior Unsecured Notes Due 2019 and 6 5/8% Senior Secured Notes Due 2018 (the "Exchange Offers"), pursuant to which it offered to (1) issue in exchange for its outstanding 8% Senior Unsecured Notes Due 2019 (the "Old Senior Unsecured Notes") new 8% Senior Unsecured Notes Due 2019, of a like principal amount, convertible into common stock of the Company, with interest on such notes to be payable in kind at the Company's option (the "New Senior Unsecured Notes"), and (2) issue in exchange for its outstanding 6 5/8% Senior Secured Notes Due 2018 (the "Old Senior Secured Notes") new 6 5/8% Senior Secured Notes Due 2019, of a like principal amount, convertible into common stock of the Company, with interest on such notes to be payable in kind at the Company's option (the "New Senior Secured Notes"). The Exchange Offers expired on March 15, 2018. Approximately \$214 million aggregate principal amount of the Old Senior Unsecured Notes and approximately \$170 million aggregate principal amount of the Old Senior Secured Notes were validly tendered, accepted and canceled in the Exchange Offers, and the Company issued a like principal amount of New Senior Unsecured Notes and New Senior Secured Notes. The New Senior Unsecured Notes and New Senior Secured Notes are optionally convertible by the holders thereof into shares of the Company's common stock at conversion prices of \$8.33 and \$5.00, respectively, per share of common stock, and are mandatorily convertible at the Company's option if the volume weighted average trading price of the common stock on the NASDAQ exceeds \$10.00 for a prescribed period. In connection with the closing of the Exchange Offers, the Company also obtained the requisite consent of holders of Old Senior Secured Notes to adopt amendments to the indenture governing those notes to eliminate substantially all of the restrictive covenants and certain events of default in the indenture, and make the liens securing senior second lien obligations, including the new Senior

Secured Notes and the Second Lien Term Loan described below, effectively senior to the liens securing junior second lien obligations, including the Old Senior Secured Notes.

Also in connection with the closing of the Exchange Offers, the Company entered into an amendment to its Second Lien Credit Agreement. The amendment provides the Company with the option to pay interest on its outstanding \$300 million principal amount Second Lien Term Loan in kind, and also provides that the Company's obligation under the Second Lien Term Loan is convertible into common stock of the Company, on the same conversion terms as the New Senior Secured Notes. Also in connection with the closing of the Exchange Offers, the Company's subsidiary, Sears Roebuck Acceptance Corp. ("SRAC"), consummated a private exchange with certain third parties of approximately \$100 million in principal amount of senior unsecured notes issued by SRAC maturing between 2027 and 2043 and bearing interest at rates between 6.50% and 7.50% per annum, pursuant to which SRAC issued a like principal amount of new unsecured notes (the "SRAC Exchange Notes"). The SRAC Exchange Notes mature in March 2028 and bear interest at a rate of 7.0% per annum, and provide the Company with the option to pay such interest in kind at an interest rate of 12.0% per annum. The SRAC Exchange Notes are also guaranteed by the same subsidiaries of the Company that guarantee the New Senior Secured Notes.

On March 21, 2018, we obtained a \$125 million FILO term loan (the "FILO Loan") from JPP, LLC and JPP II, LLC, entities affiliated with ESL, and Benefit Street 2018 LLC, an entity affiliated with Thomas J. Tisch, under our Amended Domestic Credit Agreement. The Company received approximately \$122 million in net proceeds from the FILO Loan, which proceeds were used to reduce outstanding borrowings under our revolving credit facility. The FILO Loan has a maturity date of July 20, 2020, which is the same maturity date as the Company's revolving credit facility commitments, and does not amortize.

In addition to pursuing several transactions to adjust our capital structure in order to enhance our liquidity and financial position, the Company is also taking incremental actions to further streamline operations to drive profitability, including cost reductions of \$200 million on an annualized basis in 2018 unrelated to store closures.

In addition to the actions taken above, the Company has other resources available to support its operations. Our domestic credit facility permits us up to \$2.0 billion of second lien loan capacity (of which \$1.1 billion was utilized at February 3, 2018) outside the credit agreement, all depending on the applicable and available borrowing base as defined in our applicable debt agreements, as well as our ability to secure commitments from lenders. We also have the ability to obtain longer-term secured financing maturing outside of the domestic credit facility maturity date which would not be subject to borrowing base limitations (see Note 3 of Notes to Consolidated Financial Statements). Other options available to us, which we will evaluate and execute as appropriate, include refinancing existing debt, borrowing against facilities in place with availability and additional real estate loans against unencumbered properties, which we have successfully executed in the past.

We also continue to explore ways to unlock value across a range of assets, including entering into or renegotiating commercial arrangements, and exploring ways to maximize the value of our Home Services, Innovent and Sears Auto Centers businesses, as well as our Kenmore and DieHard brands, through partnerships, sales or other means of externalization that could expand distribution of our brands and service offerings to realize significant growth. We expect to continue to right-size, redeploy and highlight the value of our assets, including monetizing our real estate portfolio and exploring potential asset sales, in our transition from an asset intensive, historically "store-only" based retailer to a more asset light, integrated membership-focused company.

We expect to continue to face a challenging competitive environment. While we continue to focus on our overall profitability, including managing expenses, we reported a loss in 2017, and were required to fund cash used in operating activities with cash from investing and financing activities. If we continue to experience operating losses, and we are not able to generate additional liquidity through the actions described below or through some combination of other actions, including real estate or other asset sales, while not expected, then our liquidity needs may exceed availability under our Amended Domestic Credit Agreement, our second lien line of credit loan facility and our other existing facilities, and we might need to secure additional sources of funds, which may or may not be available to us. A failure to secure such additional funds could cause us to be in default under the Amended Domestic Credit Agreement. Moreover, if the borrowing base (as calculated pursuant to our outstanding second lien debt) falls below the principal amount of such second lien debt plus the principal amount of any other indebtedness for borrowed money that is secured by liens on the collateral for such debt on the last day of any two consecutive quarters, it could trigger an obligation to repurchase our New Senior Secured Notes in an amount equal to such

deficiency. As of February 3, 2018, we are in a deferral period of the collateral coverage test and the calculation restarts in the second quarter of 2018 (such that no collateral coverage event can occur until the end of the third quarter of 2018). Additionally, a failure to generate additional liquidity could negatively impact our access to inventory or services that are important to the operation of our business.

We believe the following actions, some of which we expect, subject to our governance processes, to include related party participation and funding, are probable of occurring and will be sufficient to satisfy our liquidity needs for the next twelve months from the issuance of the financial statements:

- Sales of the properties securing the \$200 million Secured Loan to fund the repayment of such Secured Loan;
- Additional borrowings under the Mezzanine Loan Agreement and the Term Loan Facility;
- Renegotiation of certain commercial arrangements;
- Monetization of the Kenmore brand;
- Extension of maturities beyond March 2019 of Line of Credit Loans under the Second Lien Credit Agreement, the 2016 Secured Loan Facility, the Incremental Secured Loan Facility and the LC Facility and the Term Loan under the Amended Domestic Credit Agreement;
- Additional borrowings secured by real estate assets or borrowings under the short-term basket; and
- Further restructurings to help manage expenses and improve profitability.

The PPPFA contains certain limitations on our ability to sell assets, which could impact our ability to complete asset sale transactions or our ability to use proceeds from those transactions to fund our operations. Therefore, the analysis of liquidity needs includes consideration of the applicable restrictions under the PPPFA. We expect that the actions outlined above will further enhance our liquidity and financial flexibility and we expect that these actions will be executed in alignment with the anticipated timing of our liquidity needs.

Our outstanding borrowings at February 3, 2018 and January 28, 2017 were as follows:

<i>millions</i>	February 3, 2018	January 28, 2017
Short-term borrowings:		
Unsecured commercial paper	\$ —	\$ —
Secured borrowings	271	—
Line of credit loans	500	—
Incremental loans	144	—
Long-term debt, including current portion:		
Notes, term loan and debentures outstanding	3,145	4,018
Capitalized lease obligations	72	145
Total borrowings	\$ 4,132	\$ 4,163

We fund our peak sales season working capital needs through our domestic revolving credit facility and commercial paper markets and secured short-term debt.

<i>millions</i>	2017	2016
Secured borrowings:		
Maximum daily amount outstanding during the period	\$ 799	\$ 1,150
Average amount outstanding during the period	374	334
Amount outstanding at period-end	271	—
Weighted average interest rate	6.2%	4.6%
Unsecured commercial paper:		
Maximum daily amount outstanding during the period	\$ 160	\$ 250
Average amount outstanding during the period	26	106
Amount outstanding at period-end	—	—
Weighted average interest rate	9.1%	7.9%
Line of credit loans:		
Maximum daily amount outstanding during the period	\$ 500	\$ —
Average amount outstanding during the period	214	—
Amount outstanding at period-end	500	—
Weighted average interest rate	10.2%	—%

Information about our Domestic Credit Agreement, Letter of Credit Facility, Secured Loan and Mezzanine Loan, Term Loan Facility, 2017 Secured Loan Facility, 2016 Secured Loan Facility, Second Lien Credit Agreement, Old Senior Secured Notes and New Senior Secured Notes, Old Senior Unsecured Notes and New Senior Unsecured Notes, Unsecured Commercial Paper, Secured Short-Term Loan and Wholly-owned Insurance Subsidiary and Intercompany Securities is included in Note 3 of Notes to Consolidated Financial Statements.

Domestic Pension Plans Funding

Contributions to our pension plans remain a significant use of our cash on an annual basis. While the Company's pension plans are frozen, and thus associates do not currently earn pension benefits, the Company has a legacy pension obligation for past service performed by Kmart and Sears associates. During 2017, we contributed \$295 million to our domestic pension plans, including amounts contributed from the escrow created pursuant to the PPPFA. We estimate that our minimum pension funding obligations will be approximately \$280 million in 2018 (excluding the \$20 million supplemental payment described below) and approximately \$276 million in 2019. As previously noted, the Company agreed to grant the PBGC a lien on, and subsequently contribute to the Company's pension plans, the value of the \$250 million cash payment payable to the Company on the third anniversary of the Craftsman closing (the "Craftsman Receivable"). During the 13 weeks ended July 29, 2017, we sold the Craftsman Receivable to a third-party purchaser, and deposited the proceeds into an escrow for the benefit of our pension plans. We subsequently contributed a portion of the proceeds received from the sale of the Craftsman Receivable to our pension plans, which contribution was credited against the Company's minimum pension funding obligations in 2017. Under our agreement with the PBGC, the remaining proceeds will also be contributed to our pension plans, and when so contributed, will be fully credited against the Company's minimum pension funding obligations in 2018 and 2019.

The Company also agreed to grant a lien to the PBGC on the 15-year income stream relating to new Stanley Black & Decker sales of Craftsman products, and agreed to contribute the payments from Stanley Black & Decker under such income stream to the Company's pension plans, with such payments to be credited against the Company's minimum pension funding obligations starting no later than five years from the closing date. The Company also

agreed to grant the PBGC a lien on \$100 million of real estate assets to secure the Company's minimum pension obligations through the end of 2019.

In November 2017, the Company announced an amendment to the PPPFA that allowed the Company to pursue the monetization of 138 of our properties that were subject to a ring-fence arrangement created under the PPPFA. In March 2018, the Company closed on the Secured Loan and the Mezzanine Loan, which transactions released the properties from the ring-fence arrangement. The Company contributed approximately \$282 million of the proceeds of such loans to our pension plans, and deposited \$125 million into an escrow for the benefit of our pension plans. Under our agreement with the PBGC, the escrowed amount will also be contributed to our pension plans and, when so contributed, will be fully credited against the Company's minimum pension funding obligations in 2018 and 2019 described above. Following such transactions, the Company has been relieved of contributions to our pension plans for approximately two years (other than the contributions from escrow described above and a \$20 million supplemental payment due in the second quarter of 2018). The ultimate amount of pension contributions could be affected by factors such as changes in applicable laws, as well as financial market and investment performance and demographic changes.

Exhibit 10

Project Transform – Creditor Recovery Side by Side Analysis

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January 14, 2019

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Creditor Recovery Side by Side Analysis

The ESL Going Concern bid offers the estate ~\$5.1bn in value

\$ millions

	Debtors - Liquidation		Priority Based Distribution - Liquidation		ESL - Going Concern
Creditors	\$ Recovery	% Recovery	\$ Recovery	% Recovery	Recovery
DIP ABL	\$894	100%	\$894	100%	100%
Junior DIP	175	100%	175	100%	Roll-Over / Cash Paydown
FILLO (1.5)	125	100%	125*	100%	100%
Citi LC Facility (1.75)	271	100%	271*	100%	100%
Adequate Protection - 507(b) ¹	136	41%	413*	100%	Recovery from previously unencumbered assets not in bid
2nd Lien Line of Credit Loans	-	0%	349*	61%	Full Recovery / Debt Extinguished
ESL 2nd Lien Term Loan (PIK)	-	0%	196*	61%	Full Recovery / Debt Extinguished
2nd Lien Notes (PIK)	-	0%	107*	61%	Full Recovery / Debt Extinguished
Dove Loans - Tranche A	108	100%	108*	100%	Full Recovery / Debt Extinguished
Dove Loans - Tranche B	321	44%	322*	44%	Full Recovery / Debt Extinguished
Sparrow Loans	NA	NA	NA	NA	NA
GL / IP Loan - Tranche A	79	100%	79*	100%	Full Recovery / Debt Extinguished
GL / IP Loan - Tranche B	80	53%	80*	53%	Full Recovery / Debt Extinguished
Admin and Other Priority Claims	1,405	100%	476	34%	NewCo to assume substantially all admin claims
Total Distributed Value to Secured Creditors	\$3,594		\$3,594		\$4,000
Assumption of PA Liability & Other Liabilities²	-		-		\$1,100
Total Value To The Estate	\$3,594		\$3,594		\$5,100

Adhering to the priorities established by Bankruptcy code section 507(b) the estate has a ~\$930mm administrative claim shortfall in a liquidation scenario, rendering the Debtors grossly administratively insolvent

Note: Estimates of proceeds based on Lazard Wind Down Recoveries Analysis 2019/01/12

1. For the Priority Based Distribution, this number assumes collateral value ascribed in Debtors' liquidation analysis. See Final Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing, (B) Grant Senior Secured Priming Liens and Superpriority Administrative Expense Claims, and (C) Utilize Cash Collateral; (II) Granting Adequate Protection to the Prepetition Secured Parties; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief (Docket No. 955), paragraph 18; see also 11 U.S.C. § 507(b) (emphasis added) ("If the trustee, under section 362, 363, or 364 of this title, provides adequate protection of the interest of a holder of a claim secured by a lien on property of the debtor and if, notwithstanding such protection, such creditor has a claim allowable under subsection (a)(2) of this section . . . then such creditor's claim under such subsection shall have priority over every other claim allowable under such subsection").

2. Other Liabilities include certain Gift Card liabilities and Shop Your Way rewards points

Lien Priority Chart

	Prepetition Second Lien ABL Collateral (e.g., inventory)	Prepetition First Lien Encumbered Collateral (i.e., Dove, IP/GL collateral)	Prepetition Unencumbered Collateral (e.g., leases and other assets that were not collateral before the Petition Date) (Excluding Specified Collateral)	Specified Collateral (i.e., NY store leases, Credit Card litigation)
1	Carve-Out	Carve-Out	Carve-Out	Carve-Out
2	Senior Permitted Liens (e.g., mechanics' liens)	All valid and perfected prepetition liens	Senior Permitted Liens	Senior Permitted Liens
3	DIP ABL Liens	DIP ABL Liens	DIP ABL Liens	DIP ABL Liens, pari passu with Junior DIP Liens
4	Prepetition ABL Facilities Adequate Protection Liens	Junior DIP Liens	Junior DIP Liens	Prepetition ABL Facilities Adequate Protection Liens
5	2018 FILO Adequate Protection Liens	Prepetition ABL Facilities Adequate Protection Liens	Prepetition ABL Facilities Adequate Protection Liens	2018 FILO Adequate Protection Liens
6	Prepetition LC Facility Adequate Protection Liens	2018 FILO Adequate Protection Liens	2018 FILO Adequate Protection Liens	Prepetition LC Facility Adequate Protection Liens
7	Prepetition ABL Liens	Prepetition LC Facility Adequate Protection Liens	Prepetition LC Facility Adequate Protection Liens	Postpetition Intercompany Liens
8	Postpetition Intercompany Liens	Postpetition Intercompany Liens	Postpetition Intercompany Liens	Prepetition Second Lien Adequate Protection Liens (only with respect to property of Prepetition Second Lien Loan Parties)
9	Prepetition Second Lien Adequate Protection Liens	Prepetition Second Lien Adequate Protection Liens (only with respect to property of Prepetition Second Lien Loan Parties)	Prepetition Second Lien Adequate Protection Liens (only with respect to property of Prepetition Second Lien Loan Parties)	
10	Prepetition Second Lien Facilities Liens			
11	Junior DIP Liens			

Superpriority/ Administrative Priority Claim Priority Chart

Carve Out

- 1 ABL DIP Superpriority Claims / Junior DIP Superpriority Claims (against each of the DIP ABL Loan Parties)
- 2 Prepetition ABL Superpriority Adequate Protection Claims (against each of the DIP ABL Loan Parties)
- 3 Prepetition FILO Superpriority Adequate Protection Claims (against each of the DIP ABL Loan Parties)
- 4 Prepetition LC Facility Superpriority Adequate Protection Claims (against each of the DIP ABL Loan Parties)
- 5 Postpetition Intercompany Obligations (against the Postpetition Intercompany Borrower)
- 6 Section 506(c) Surcharge Claims against Prepetition Second Lien Collateral (actual and necessary costs of preserving or disposing of Second Lien Collateral to the extent beneficial to secured party)
- 7 Prepetition Second Lien Facilities Superpriority Adequate Protection Claims (against the Prepetition Second Lien Loan Parties)
- 8 Non-Superpriority Administrative Claims against any Debtor (costs of the estate, professional fees, etc. that are not Section 506(c) Surcharge Claims)

Exhibit 11

Project Transform – ESL Bid Presentation

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ESL Bid Summary

ESL is pleased to offer its \$4.4bn bid for NewCo as a going concern, which is composed of the following:

- \$1.2bn in cash (\$900mm new ABL financing, ~\$220mm of senior debt repayment¹ and \$35mm of UCC settlement proceeds)
- \$1.3bn credit bid of secured debt
- \$501mm in roll-over debt (\$230mm of Junior DIP and \$271mm of Citi LC facility)
- \$1.1bn of assumed liabilities
- The ESL offer is for the acquisition of:
 - A 425 go-forward store footprint
 - Additionally includes Dove and Sparrow properties not included in the 425 footprint
 - Sears Auto Centers
 - Innoval & supply chain (DCs, MDOs, etc.)
 - Sears Home Services
 - Monark
 - Shop Your Way
 - KCD Notes (purchased in connection with the assumption of the SHS PA Liability)
 - Additional previously unencumbered assets (e.g. real estate)
- Bid amount does not include transaction for Kenmore and Diehard, which is being separately negotiated
- ESL's bid incorporates the agreement in principle with Cyrus

1. Not shown pro forma for potential pay down resulting from contemplated U-Haul transaction

Transaction Overview – Sources & Uses¹

The contemplated transaction offers the estate ~\$4.4bn in total value

(\$ in millions)

Sources		
Sources	\$	%
Credit Bid - Dove	\$436	9%
Dove - Cash to Buyout of Tranche A Holder ¹²	108	2%
Cash to Purchase Sparrow Equity	0.005	0%
Assumption of Sparrow Debt	592	13%
Citi L/C Facility	271	6%
New ABL Facility and Term Loan ⁵	900	20%
Credit Bid of FILO - Inventory & Receivables ⁴	90	2%
FILO - Cash to Sears from Non-Credit Bid Part of FILO (Great American)	35	1%
2L Credit Bid ESL - Inventory & Receivables ^{2,3}	351	8%
2L Credit Bid Third Party - Inventory & Receivables ^{2,3}	83	2%
Credit Bid - IP/GL	152	3%
IP/GL - Cash to Buyout 3rd party holder(s)	79	2%
New Real Estate Debt	175	4%
Home Services PA Liability	1,009	22%
Junior DIP Rollover - SHS & Other	230	5%
2018 Gift Card Vintage	13	0%
SYW Point Liability	68	1%
Total Sources	\$4,592	100%
Total Cash Potentially Needed to Buyout 3rd Party Debtholders		
	\$222	
Total Credit Bid⁹		
	\$1,334	
2L Deficiency Claim¹⁰		
	\$637	
Dove Deficiency Claim		
	\$254	

Uses		
Uses	\$	%
Purchase of Dove Real Estate	\$544	12%
Cash to Purchase Sparrow Equity	0.005	0%
Assumption of Sparrow Debt	592	13%
New Citi LC Facility	271	6%
Purchase of Inventory ^{6,7}	1,320	29%
Purchase of Credit Card / Pharmacy Receivables ^{6,8}	88	2%
Cash to Paydown Revolver	175	4%
Transaction Fees	50	1%
Home Services PA Liability	1,009	22%
Purchase of IP/GL Collateral	231	5%
Purchase of SHS & Other ¹¹	230	5%
2018 Gift Card Vintage	13	0%
SYW Point Liability	68	1%
Total Uses	\$4,592	100%

Revised S&U as of 12/28/18 reflects a 425 store footprint (down from 505 on 12/05/18 and the sale of SHIP). The values herein reflect the interdependencies across these assets and are contingent on acquiring the enumerated assets collectively.

- Sources & Uses excludes the impact associated with any direct purchase of Kenmore & Diehard
- Third party 2L holders to credit bid alongside ESL pursuant to 2L collateral agent direction
- Total 2L debt of \$1,160mm comprised of \$847mm of ESL owned debt, \$293mm of 3rd party debt and \$20mm owned by Tommy Tisch. Approximately \$89mm of 3rd party 2L debt (cash pay notes due 10/15/18) not part of credit bid because it is subordinated in waterfall and remaining \$1,071mm of 2L debt is pro-rata shared between ESL/Tommy Tisch (81% or \$351mm) and 3rd Party (19% or \$83mm)
- Assumes Tommy Tisch credit bids along with ESL
- Used to pay down \$850mm of 1L debt and \$50mm transaction fees
- Assumes pro rata ownership of inventory, accounts receivables and scripts in NewCo for 2L component of the credit bid
- Assumes purchase of \$1,553mm projected book value of inventory at close at 85 cents
- Assumes purchase of \$104mm projected book value of credit card and pharmacy receivables at close at 85 cents
- Total credit bid amount includes cash used to buyout 3rd party debtholders
- Assumes shared deficiency claim amongst 2L credit-bidders
- Other includes certain Unencumbered RE, Innovel, SYW, Monark, SAC and Designation Rights (see Annex 3.05)
- Does not account for potential paydown of Tranche A debt as a result of pending U-Haul transaction

Transaction Mechanics

		Key Details
ESL Credit-Bidding	Dove & Sparrow	<ul style="list-style-type: none"> ESL owns all of the Sparrow first mortgage debt, as well as over 85% of Dove outstanding debt <ul style="list-style-type: none"> Dove collateral agent (Cascade) signed credit bid letter as part of ESL's 12/28/18 bid package ESL intends to purchase Cascade's Dove debt and credit bid the facility in exchange for the Dove RE assets, including \$32mm of U-Haul proceeds held in segregated account ESL could either purchase the equity of Sparrow and foreclose on the Sparrow properties, or flip Sparrow into Chapter 11 and credit bid its debt for the Sparrow real estate
	FILO	<ul style="list-style-type: none"> Current holders include ESL, Tisch and Great American ESL intends to purchase the Great American owned FILO debt and credit bid the entire facility for inventory and receivables
	IP/GL	<ul style="list-style-type: none"> Current holders include ESL, Cyrus and Kawa ESL intends to purchase Cyrus and Kawa's positions and credit bid the facility in exchange for the non-KCD IP of Sears, as well as the 17 ground leases which secure the facility
	2L	<ul style="list-style-type: none"> ESL Currently owns \$827mm of 2L debt and the remainder is held by other third parties ESL has directed the 2L collateral agent to credit bid in exchange for inventory and receivables 2L collateral agent signed credit bid letter as part of ESL's 12/28/18 bid package
New Financing	New ABL Facility	<ul style="list-style-type: none"> ESL obtained commitment for a \$1.3bn committed ABL facility to fund purchase of key assets of NewCo <ul style="list-style-type: none"> Facility is being led by a syndicate of three large global banks (BAML, Citi and RBC)
	Real Estate Financing	<ul style="list-style-type: none"> ESL to raise up to \$275mm of RE debt, secured by Dove & Sparrow real estate assets <ul style="list-style-type: none"> ESL has committed \$87.5mm, and Cyrus will fund \$87.5mm
	Citi LC Facility	<ul style="list-style-type: none"> ESL and Cyrus to roll-over \$271mm LC facility onto the balance sheet of NewCo as a new LC facility
	Junior DIP Roll-Over	<ul style="list-style-type: none"> NewCo to assume up to \$230mm of the Jr. Dip facility in exchange for the purchase of \$230mm of value of previously unencumbered real estate assets
Other	Releases	<ul style="list-style-type: none"> ESL is currently in negotiations with the estate for the purchase of a release <ul style="list-style-type: none"> APA seeks to purchase release for \$35mm in cash, plus rights to participate in \$100mm NewCo rights offering
	Kenmore & Diehard	<ul style="list-style-type: none"> ESL is currently negotiating a transaction for Kenmore and Diehard with the PBGC, but can acquire Kenmore and Diehard through purchase of KCD notes

ESL Bid Evolution

ESL's bid has been revised to purchase a 425 go forward store footprint (down from 505) and no longer includes SHIP, Kenmore or Diehard, but does include the purchase of the KCD notes

(\$ in millions)

13D Transaction Offer (12/5)

Uses	\$	%
Purchase of Dove & Sparrow Real Estate	\$965	21%
Purchase of IP/GL Collateral	231	5%
Purchase of Inventory	1,445	31%
Purchase of Credit Card / Pharmacy Receivables	88	2%
New Citi LC Facility	271	6%
Transaction Fees	50	1%
Home Services PA Liability	1,009	22%
Purchase of Previously Unencumbered Non-IP Assets	500	11%
2018 Gift Card Vintage	13	0%
SYW Point Liability	68	1%
Total Purchase Price	\$4,640	100%

Updated ESL Offer

Uses	\$	%
Purchase of Dove Real Estate	\$544	12%
Cash to Purchase Sparrow Equity ¹	0.005	0%
Assumption of Sparrow Debt	592	13%
New Citi LC Facility	271	6%
Purchase of Inventory	1,320	30%
Purchase of Credit Card / Pharmacy Receivables	88	2%
Transaction Fees	50	1%
Home Services PA Liability	1,009	23%
Purchase of IP/GL Collateral	231	5%
Previously Unencumbered Assets (Jr. DIP Roll-Over) ²	230	5%
2018 Gift Card Vintage	13	0%
SYW Point Liability	68	2%
Total Purchase Price	\$4,417	100%

Original Bid Commentary

- Assumed NewCo footprint of 505 go forward locations and associated inventory
- Assumed credit bid of Sparrow real estate portfolio
- Assumed purchase of SHIP, Kenmore and Diehard in the form of cash/stock/debt/waiver of AP liens

Updated Bid Commentary

- Assumes NewCo footprint of 425 go forward locations and associated inventory
- Assumes purchase of Sparrow equity and foreclosure on real estate assets
- Does not assume purchase of SHIP, Kenmore or Diehard
- Assumes roll-over of Junior DIP (\$230mm) in exchange for \$230mm of unencumbered assets

1. Excludes assumption of liability through purchase of Sparrow equity

2. Assumes total purchase of unencumbered assets and designation rights purchased through roll-over of Junior DIP of \$230mm. Assets includes Unencumbered RE, Innovel, SYW, Monark, SAC and Designation Rights

Why ESL's Bid Should Be Accepted

ESL's going concern bid provides the most value maximizing alternative for the Debtors and their constituents, as well as has an important social impact in the form of significant job preservation

- 1 Going concern business preserves tens of thousands of jobs and ensures the continuance of an iconic American brand
 - Best result for vendors, suppliers, customers and other unsecured creditors who can continue relationship with Sears
- 2 Bid includes ~\$1.2bn of cash: (i) entry into \$900mm of new ABL financing, (ii) repayment of ~\$220mm¹ of senior debt, and (iii) payment of \$35mm of UCC settlement proceeds
- 3 Provides for payment of substantially all of Sears' senior debt (~\$4.3bn) through repayment, credit-bidding, roll-overs and assumption of debt as part of the offer
- 4 Significantly reduces threshold for unsecured creditor recovery (~\$300mm+ reduction); additionally:
 - NewCo to assume ~\$1.1bn of unsecured claims
 - NewCo to assume contracts and leases
 - Opportunity for out of the money creditors to participate in NewCo through equity investment
- 5 Maximizes value of the assets

A liquidation scenario will lead to a significant degradation of value, as demonstrated by recent retail bankruptcy auctions having proven unsuccessful (e.g., Toys R Us, Sports Authority and BonTon) and Sears' multiple prepetition analysis

1. Does not account for planned use of segregated funds to Tranche A debt as a result of pending U-Haul transaction

1 Positive Social Impact

- **Going Concern bid will save tens of thousands of American jobs**
 - Jobs saved provide good income to middle class American families
 - With the success of NewCo, thousands of additional jobs could be created
- Liquidation harms brand value while the Going Concern bid saves an iconic American brand
- Vendor community has strong interest in the survival of NewCo
 - Many landlords would prefer to see NewCo bid succeed and continue to receive rent payments as opposed to trying to recover in the GUC pool
 - Landlords rooting for liquidation should not drive process intended to maximize recovery for creditors
- NewCo's assumption of ~\$80mm of customer rewards / gift cards sends strong message to customer community
- ESL is willing to assume some social costs (e.g., post closing severance)
- Liquidation results in administrative costs to implement a value minimizing transaction (e.g., severance, WARN Act, professional fees)

2 Cash Consideration

- **ESL's bid is composed of a significant cash infusion (total \$1.2bn):**
 - \$900mm new ABL financing
 - Syndicated between 3 large global banks
 - ~\$220mm of senior debt paydown in form cash
 - Includes repayment of Cascade (\$108mm Dove)¹, Great American (\$35mm FILO) and Cyrus / Kawa (\$79mm IP/GL)
 - \$35mm of UCC settlement proceeds (see pg. 12)

1. Does not account for planned use of segregated funds to Tranche A debt as a result of pending U-Haul transaction

3 ESL's Proposal Eliminates ~\$4.3bn of Sears' Debt

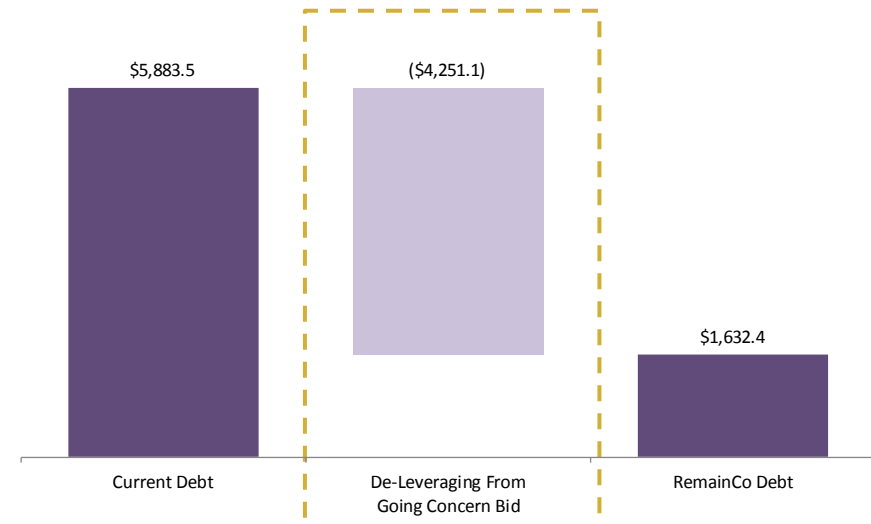
Reduction in Sears Indebtedness

(in \$ millions)

Debt	Current Amount	Adjustment	Pro Forma Amount
Senior DIP Facility			
Senior DIP Facility - New Money	\$300.0	(\$300.0)	-
Incremental DIP Facility	350.0	(230.0)	120.0
Total DIP Facility	\$650.0	(\$530.0)	\$120.0
ABL Revolving Credit Facility	318.0	(318.0)	-
1st Lien Term Loan B	571.0	(571.0)	-
1st Lien L/C Facility	121.0	(121.0)	-
ABL Revolving Credit Facility - Roll-up	1,010.0	(1,010.0)	-
Total DIP Facility (inc. Roll-up)	\$1,660.0	(\$1,540.0)	\$120.0
Senior Secured Debt Facility			
Cascade Real Estate Loan (Note A)	\$108.1	(\$108.1)	-
ESL Real Estate Loan (Note B)	723.3	(723.3)	-
First Mortgage	624.2	(624.2)	-
Total Real Estate Debt	\$1,455.6	(\$1,455.6)	-
IP/GL Term Loan (PIK)	231.0	(231.0)	-
Capitalized Lease Obligations	59.8	(59.8)	-
Citi L/C Facility	271.1	(271.1)	-
FILO	125.0	(125.0)	-
Total Other 1st Lien Debt	\$686.9	(\$686.9)	-
ESL 2nd Lien Loan (PIK)	320.0	(320.0)	-
2nd Lien Notes (Cash)	89.0	(89.0)	-
2nd Lien Notes (PIK)	181.0	(181.0)	-
2nd Lien Line of Credit Loans	570.0	(570.0)	-
2L Adequate Protection Liens	-	591.4	591.4
Total 2nd Lien Debt	\$1,160.0	(\$568.6)	\$591.4
Total Secured Debt	\$4,962.4	(\$4,251.1)	\$711.4
Senior Unsecured Debt Facility			
Senior Unsecured Notes (Cash)	411.0	-	411.0
Senior Unsecured Notes (PIK)	222.6	-	222.6
SRAC Notes (Cash)	185.6	-	185.6
SRAC Notes (PIK)	101.9	-	101.9
Total Unsecured Debt	\$921.0	-	\$921.0
Total Secured & Unsecured Debt	\$5,883.5	(\$4,251.1)	\$1,632.4

Key Commentary

- A** Assumes entirety of Senior DIP facility roll-up is paid down with new ABL financing
- B** Assumes ESL buys out Cascade and credit bids real estate debt for Dove & Sparrow assets
- C** Assumes IP/GL, FILO or Citi L/C are rolled over or credit bid in order to acquire assets
- D** Assumes minimum amount of 2L is credit bid to acquire inventory and receivables



3 How a Going Concern Maximizes Value by Claimant

	Going Concern Bid		Liquidation	
	Value to Claimant	Recovery	Value to Claimant	Recovery
DIP ABL Facility	<ul style="list-style-type: none"> Repaid in cash in full at transaction date 	100%	<ul style="list-style-type: none"> Paydown over time from the liquidation of inventory and additional ABL collateral (including restricted cash and receivables) 	100%
Citi L/C Facility	<ul style="list-style-type: none"> Facility to be rolled-over into NewCo 	100%	<ul style="list-style-type: none"> Paydown over time from the liquidation of inventory and additional ABL collateral (including restricted cash and receivables) 	100%
FILO Facility	<ul style="list-style-type: none"> Used to credit bid for inventory and other ABL collateral Third party (excluding Tisch) to be cashed out 	100%	<ul style="list-style-type: none"> Any residual claim to receive adequate protection lien Paydown over time from the liquidation of inventory and additional ABL collateral (including restricted cash and receivables) Any residual claim to receive adequate protection liens and claims 	100%
IP/GL Facility	<ul style="list-style-type: none"> Used to credit bid for collateral, including ground leases and non-KCD intellectual property Third parties (Cyrus, Kawa) to be cashed out 	100%	<ul style="list-style-type: none"> Liquidation would result in harm to value of collateral Paydown to result from the sale of ground leases and IP serving as collateral / potential credit bid for collateral Any residual claim to be treated as deficiency claim 	Possibly Impaired
Dove & Sparrow	<ul style="list-style-type: none"> Dove debt used to credit bid for real estate collateral; Sparrow debt to be assumed Any residual claims to receive deficiency claim 	Assets Acquired	<ul style="list-style-type: none"> Used to credit bid for real estate collateral Any residual claim to receive deficiency claim 	Possibly Impaired
2L Indebtedness	<ul style="list-style-type: none"> Used to credit bid for inventory and other ABL collateral Residual claims to include adequate protection super priority liens and claims 	Assets Acquired	<ul style="list-style-type: none"> Liquidation would result in harm to value of collateral Paydown to result from the liquidation of inventory and additional ABL collateral (including receivables) Any residual claim to receive adequate protection super priority liens and claims 	Impaired
Jr. DIP Facility	<ul style="list-style-type: none"> \$230mm of facility to be rolled-over into NewCo in exchange for ownership interests in NewCo Remainder of facility to receive sale proceeds or other cash payout from the residual assets of Debtor 	Roll-over / Cash Paydown	<ul style="list-style-type: none"> Liquidation would result in harm to value of collateral Paydown to result from the sale of previously unencumbered assets Any residual claim to be treated as deficiency claim 	Possibly Impaired
Unsecured Claims	<ul style="list-style-type: none"> TBD from ESL for settlement of any potential claims All other unsecured claims to receive any proceeds from the residual assets of Debtor and other litigation or settlements 	Settlement and Recovery	<ul style="list-style-type: none"> Liquidation would result in significant reduction in value of assets PBGC claims dilute recovery All other unsecured claims to receive any remaining proceeds after adequate protection liens and claims are fully recovered 	No Recovery

4 ESL Bid Eliminates Virtually All Claims Senior to Unsecured Creditors

Unsecured Threshold Calculation

Outstanding 1L Indebtedness on 2/1	Going Concern	Liquidation
Total 1L ABL Debt	\$1,831.0	\$1,831.0
Less: Proceeds from GOB Sales	TBD	TBD
Less: Use of Restricted Cash	(100.0)	(100.0)
Plus: Operating Cash Burn	TBD	TBD
1L ABL Debt on 2/1¹	\$850.0	\$850.0
ABL Collateral At Close		
Inventory ¹	\$1,553.0	\$1,553.0
Credit Card / Pharmacy Receivables	104.0	104.0
A ABL Collateral on 2/1	\$1,657.0	\$1,657.0

Illustrative 1L Paydown	Going Concern	Liquidation
Remaining ABL Collateral	\$1,657.0	\$1,657.0
@ Illustrative Purchase Price ²	1,408.5	1,367.1
Less: 1L ABL Indebtedness	(850.0)	(1,246.0)
B Remaining ABL Collateral	\$558.5	\$121.1

Pre-Petition Unencumbered Threshold	Going Concern	Liquidation
Wind Down Reserve	\$240.0	\$240.0
Less: MTN Issuance	(100.0)	(100.0)
Less: SHIP Proceeds	(55.0)	(55.0)
Less: Sale of Credit Card Litigation	(40.0)	(40.0)
C Net Wind Down Reserve Funding Need	\$45.0	\$45.0
D Plus: Jr. DIP	120.0	100.0
Total Pre-Adequate Protection Liens	\$165.0	\$145.0
E Adequate Protection Liens and Claims - ESL³	\$503.6	\$769.6
Adequate Protection Liens and Claims - Others³	87.8	134.2
Total Post-Adequate Protection Liens, Pre Admin Claims	\$756.4	\$1,048.8
F Plus: Admin Claims⁴	\$430.0	\$430.0
Less: Wind Down Reserve	(240.0)	(240.0)
Admin Claims Net of Wind Down	\$190.0	\$190.0
Plus: Intercompany Liens ⁴	TBD	TBD
G Unsecured Value Threshold	\$946.4	\$1,238.8

1. Assumption per Company's daily cash forecast 12/21/2018
2. Assumes 85% purchase price in Going Concern scenario, while the liquidation scenario assumes 82.5% purchase price
3. Potential AP Liens and claims are calculated using 96% of the book value of petition date inventory to determine coverage; Assumes credit bid of 2L debt of ~\$434mm leaving ~\$591mm of AP liens and claims and additional deficiency claims
4. \$430mm of administrative claims per conversation with the Debtor in a going concern scenario; further diligence required to determine administrative claims in a liquidation scenario (e.g., severance and other wind down costs) and analysis illustratively assumes \$430mm

Commentary

- A** Assumed remaining ABL collateral from Company forecast, based off 425 store footprint at 2/1
- B** Illustrative bid price of collateral net of 1L paydown
- C** Wind-Down Reserve net of proceeds to be received from potential transactions
- D** In Going Concern Scenario, NewCo assumes \$230mm of the Jr. DIP facility outstanding leaving \$120mm for paydown; in the Liquidation scenario, assumed balance of \$100mm due to shorter case duration resulting in smaller cash need
- E** Assumes, in Going Concern Scenario, 2L is credit bid to buy the remaining ABL collateral, leaving deficiency claims including substantial adequate protection super priority claim of ~\$591mm; in Liquidation scenario, the adequate protection super priority claims is ~\$312mm higher
- F** Illustratively assumes \$430mm of Admin Claims in both Going Concern and Liquidation scenarios
- G** In the Liquidation scenario the unsecured value threshold is ~\$300mm higher than in the Going Concern and the pool of unsecured claims is larger as a result of incremental deficiency claims from the Real Estate, 2L and IP/GL facilities

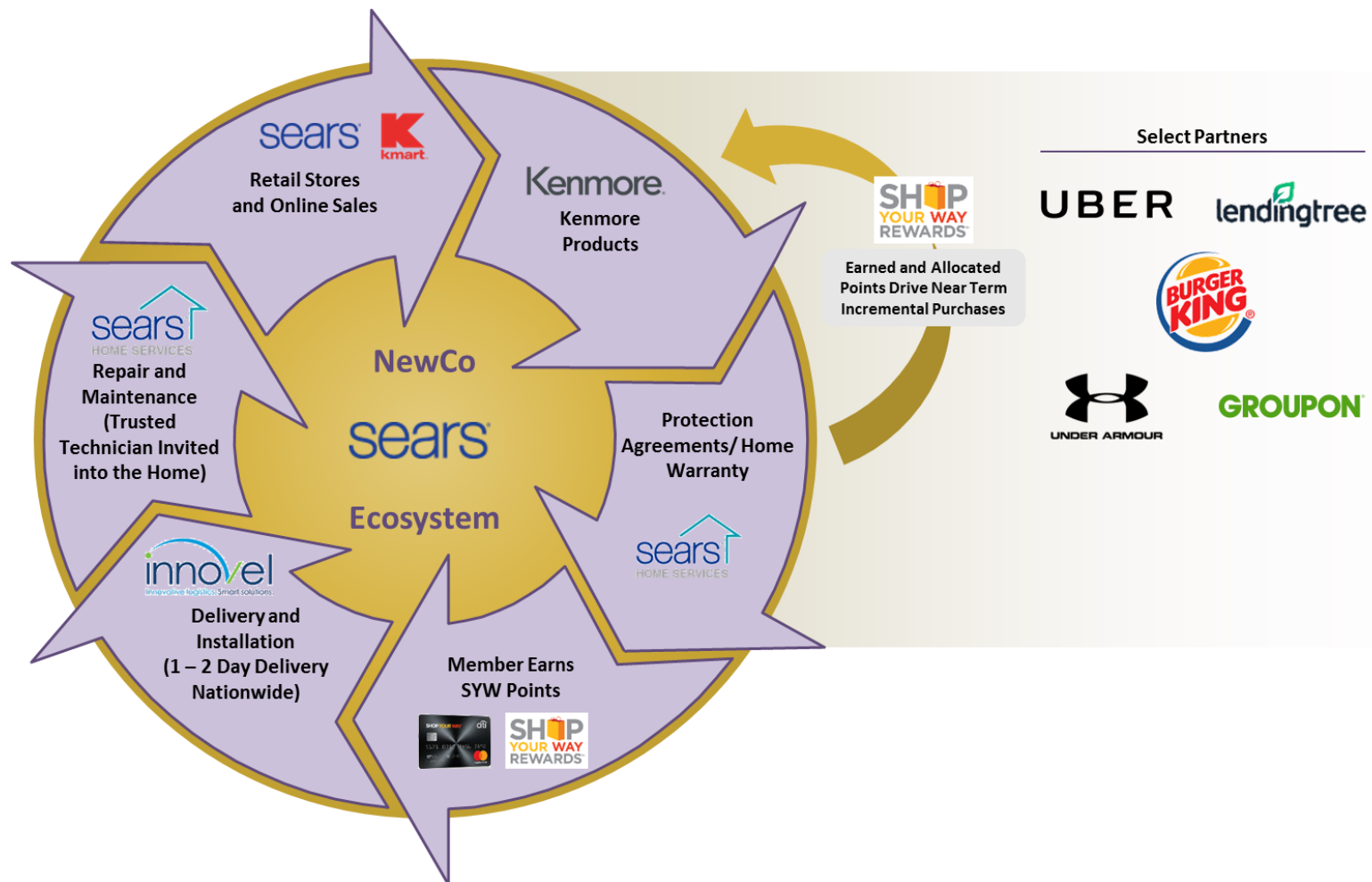
4 Settlement Overview

In connection with the transaction, ESL would purchase a release to provide value to the Estate. ESL has proposed the following offer to the Estate:

- \$35 million cash; plus
- Opportunity to buy \$100 million of equity in NewCo through a Rights Offering
 - Equity has no voting rights (assumption is that this is a separate class of equity)
 - Put Right: Higher of appraisal or NewCo value at close; not exercisable until the 3rd anniversary of the Closing
- In exchange, the Estate would waive all related claims against ESL and its related parties (not to include Seritage, Land's End or other third parties)
- In addition, in connection to the ESL offer for NewCo, an assumption ~\$1.1bn of liabilities would substantially reduce the unsecured claim pool and provide an increased recovery for the GUCs
- ESL is willing to discuss other frameworks for purchase of release

5 Asset Value Maximization

- ESL believes that there is synergistic value which can only be achieved through the preservation of the Sears “ecosystem”
- Preserving the cohesion of Sears’ essential business segments is a pre-requisite for maximizing value



Appendix

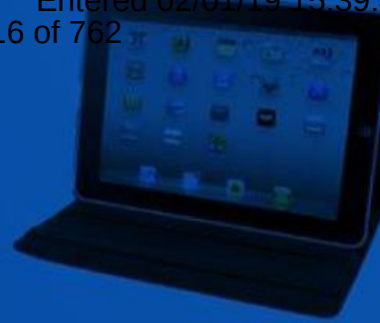
NewCo Pro Forma Capital Structure

(in \$ millions)

Debt	Amount
New ABL Facility	
ABL Revolver Outstanding	\$480
ABL Term Loan	\$250
Total ABL Facility	\$730
Citi L/C Facility	\$271
Total Other 1st Lien Debt	\$271
Senior Secured Debt Facility	
Real Estate Debt	\$175
Total Real Estate Debt	\$175
Rollover Jr. DIP Facility	
Jr. DIP Rollover	\$230
Total DIP Facility	\$230
Total Secured Debt	\$1,406

Exhibit 12

sears



Lender Presentation

January 24, 2019



Cautionary Statement: Forward-Looking Info

Certain statements made in this presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning future financial performance and liquidity, business strategy, plans, goals and objectives. Statements preceded or followed by, or that otherwise include, the words "believes," "expects," "anticipates," "intends," "estimates," "plans," "forecast," "is likely to" and similar expressions or future or conditional verbs such as "will," "may" and "could" are generally forward-looking in nature and not historical facts. Such statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, many of which are beyond the Company's control, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: our ability to achieve cost savings initiatives; vendors' lack of willingness to do business with us or to provide acceptable payment terms or otherwise restricting financing to purchase inventory or services; our ability to effectively compete in a highly competitive retail industry; our ability to offer merchandise and services that our members and customers want; our ability to successfully implement our integrated retail strategy to transform our business into a member-centric retailer; our ability to successfully manage our inventory levels; initiatives to improve our liquidity through inventory management and other actions; the effect of worldwide economic conditions, an economic downturn, a renewed decline in customers' spending patterns, inflation and changing prices of energy; our failure to execute effective advertising efforts; the negative impact as a result of the recapture rights included in the Master Leases in connection with the Seritage transaction and the JV transactions; disruptions to our computer systems which are used to implement our integrated retail strategy, process transactions, summarize results and otherwise manage our business; our ability to maintain the security of our members and customers, associate or company information; payment-related risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business operations; the impact of the seasonality of our business and customers spending patterns on the annual operating results; our dependence on sources outside the United States for significant amounts of our merchandise, which may be impacted by changes in U.S. and international trade regulations, including new or increased duties, tariffs, retaliatory tariffs, trade limitations and termination or renegotiation of the North American Free Trade Agreement; our reliance on third parties to provide us with services in connection with the administration of certain aspects of our business; impairment charges for goodwill and intangible assets or fixed-asset impairment for long-lived assets; our ability to attract, motivate and retain key executives and other associates; our ability to protect or preserve the image of our brands and our intellectual property rights; the effect of product safety concerns or claims concerning the services we offer; the outcome of future legal proceedings, changes in laws and government regulations, product liability, patent infringement and qui tam claims; our failure to comply with federal, state, local and international laws; consumer spending impacted by weather conditions and natural disasters; increases in employee wages and the cost of employee benefits; the ability to rightsize our operating model; our ability to consummate sales of our store base and other assets, including on the expected time-lines or the terms and conditions of any such sales; and our ability to implement operational improvement efficiencies.

Today's Presenters

Rob Riecker

Office of the CEO – Chief Financial Officer

Leena Munjal

Office of the CEO – Chief Digital Officer

Greg Ladley

Office of the CEO – President of Apparel and Footwear

Kunal Kamrani

President – ESL Investments, Inc.

sears



Transaction Overview



Transaction Summary

- On January 17, 2019, Sears Holdings Corporation announced that ESL Investments, Inc. was selected as the winning bidder in the Bankruptcy Court auction
- Subject to Bankruptcy Court approval, ESL will acquire substantially all of the Company's assets, including the "Go Forward Stores" on a going-concern basis ("New Sears") for approximately \$5.2 billion
 - 425 stores (consists of 223 Sears and 202 Kmart banners)
 - Synergistic network and interdependent ecosystem of business segments to unlock value of the franchise, including Sears Auto Centers, Shop Your Way, Monark, Innovel, Sears Home Services (incl. PartsDirect) and the rights to the Kenmore and DieHard brands
- The debt financing supporting the acquisition will consist of the following:
 - \$1,300 million ABL Credit Facility
 - Up to \$1,050 million ABL Revolver (\$360 million drawn at close)
 - ABL Revolver size reduced by any increase in FILO Term Loan size
 - Minimum \$250 million FILO Term Loan
 - \$400 million minimum Excess Availability at closing
 - \$350 million rollover of the existing Junior Dip
 - \$175 million Real Estate Debt
- The proposed transaction is expected to close in early February, subject to approval by the Bankruptcy Court and the satisfaction of customary closing conditions

Sources & Uses and Pro Forma Capitalization

(\$ in millions)			
Sources	Amount	Uses	Amount
New ABL Revolver (\$1,050) ⁽¹⁾	\$360	Purchase Consideration	\$2,082
New ABL FILO Term Loan	250	Rolled Citi L/C Facility	271
ESL Real Estate Debt Bridge ⁽³⁾	175	Rolled Junior DIP	350
Citi L/C Facility	271	Rolled Home Services PA/Gift Card/Points	1,090
Rolled Junior DIP	350	AP Liability/Admin Exp/Assump. Sparrow Debt	1,266
New Equity / Credit Bid	1,352	Transaction Fees & OID	55
Home Services PA/Gift Card/Points	1,090		
AP Liability/Admin Exp/Assump. Sparrow Debt	1,266		
Total Sources	\$5,114	Total Uses	\$5,114

(\$ in millions)			
Pro Forma Capitalization	Maturity	Pricing	Amount At Closing
Cash and Cash Equivalents			\$-
ABL Revolver (\$1,050) ⁽¹⁾	5 years ⁽²⁾	L + 375-400 bps	360
ABL FILO Term Loan	5 years ⁽²⁾	TBD	250
ESL Real Estate Debt Bridge ⁽³⁾	3 years	L + 850 bps	175
Rolled Junior DIP	5 years	L + 1,300 bps ⁽⁴⁾	350
Total Funded Debt			\$1,135
Citi L/C Facility	--	L + 1,100 bps	271
Total Obligations			\$1,406

(1) Excludes \$118 million of letters of credit.

(2) Includes a springing maturity of 90 days prior to the maturity of the ESL Real Estate Debt Bridge.

(3) Located at a non-guarantor, special purpose entity.

(4) Represents PIK interest rate.

Summary of Terms for ABL Credit Facilities

Borrowers:	Each domestic subsidiary of NewSears which owns any ABL Priority Collateral		
Guarantors:	All existing and future direct and indirect material domestic subsidiaries of New Sears, subject to certain exceptions		
Security:	A perfected first priority lien on substantially all working capital assets and pharmacy scripts (“ABL Priority Collateral”); second lien on substantially all other assets excluding owned or ground leased real property		
Facilities:	<div>\$1,300MM</div> <div><div>▪ ABL Revolver: Maximum of \$1,050MM (reduced dollar for dollar for any increase in FILO Term Loan)</div><div>▪ ABL FILO Term Loan: Minimum of \$250MM</div></div>		
LC Sublimit:	\$250MM in Year 1 (allowing new LCs above current amounts under Revolver), thereafter \$400MM and allow Citi L/C facility movement subject to PF Excess Availability ≥ the greater of (i) 25% of the Line Cap and (ii) \$250MM		
Swingline Sublimit:	\$100MM		
Maturity:	5 Years (springing maturity to 90 days inside maturity of the Real Estate debt facility and any other debt maturities > \$50MM)		
Borrowing Base:	<div><u>Equal to the sum of:</u></div> <div><div><div>a) 90% of eligible credit card receivables;</div><div>b) 85% of eligible pharmacy receivables;</div><div>c) 85% of the NOLV of eligible pharmacy scripts (at 30% of the borrowing base);</div><div>d) 90% of the appraised NOLV of eligible inventory;</div></div><div><div>e) 90% of the appraised NOLV of eligible in-transit inventory;</div><div>f) Less Reserves</div></div></div>		
Pricing:	<div><div>▪ <u>ABL Revolver:</u> Based on an availability-based grid outlined below:</div><div><div><div><div>Excess Availability</div><div>LIBOR Margin & Letter of Credit Fees</div><div>Base Rate Margin</div></div><div><div>≥ 50% of Revolving Commitments</div><div>3.75%</div><div>2.75%</div></div><div><div>< 50% of Revolving Commitments</div><div>4.00%</div><div>3.00%</div></div></div></div><div>▪ <u>ABL FILO Term Loan:</u> TBD</div></div>		
Undrawn Fee:	<u>ABL Revolver:</u> 50 bps		
LIBOR Floor:	0.00%		
Amortization:	None		
Line Cap:	Lesser of (a) the sum of (i) aggregate Revolver commitments and (ii) the FILO Term Loan amount outstanding and (b) the borrowing base		
Revolver Line Cap:	Lesser of the aggregate Revolver commitments and the borrowing base		
Excess Availability:	Line Cap, minus Revolver borrowings, minus letters of credit minus the FILO Term Loan amount outstanding		
Cash Dominion:	Springing when Excess Availability is < the greater of (i) 12.5% of the Line Cap and (ii) \$125MM for 3 business days during a ny 30 day period		
Borrowing Base Reporting:	Monthly, springing to weekly when Excess Availability < the greater of (i) 15% of the Line Cap and (ii) \$150MM for 3 business days during any 30 day period		
Exams & Appraisals:	2x per annum in Year 1, thereafter 1x per annum, springing to 2x when Excess Availability < greater of (i) 25% of Line Cap and (ii) \$250MM		
Financial Covenant:	Year 1: Minimum Excess Availability equal to the greater of (i) 10% of the Revolver Line Cap and (ii) \$75MM Thereafter: Springing 1.00x FCCR when Excess Availability < the greater of (i) 10% of the Revolver Line Cap and (ii) \$75MM		
Optional Prepayments:	<div><div>▪ <u>ABL Revolver:</u> Prepayable anytime at par</div><div>▪ <u>ABL FILO Term Loan:</u> 102 / 101 hard call</div></div>		
Mandatory Prepayments:	Usual and customary for facilities of this type		
Negative Covenants:	Usual and customary for facilities of this type		
Minimum Closing Date EA:	\$400MM Minimum Excess Availability under the ABL Revolver at Closing		

7

Estimated Closing Borrowing Base

(\$ in Millions)	Closing
Borrowing Base Calculation	
Gross Eligible Inventory	\$1,553.0
Total Ineligible ⁽¹⁾	(93.2)
Net Eligible Inventory	\$1,459.9
% NOLV ⁽²⁾	83%
NOLV of Net Eligible Inventory	\$1,211.7
Advance Rate	90%
Inventory Available	\$1,090.5
Credit Card Receivables	64.0
Advance Rate	90%
Credit Card Receivables Availability	\$57.6
Pharmacy Receivables	10.0
Advance Rate	85%
Pharmacy Receivables Availability	\$8.5
NOLV of Pharmacy Scripts	27.0
Advance Rate	85%
Pharmacy Scripts Availability	\$23.0
Gross Borrowing Base	\$1,179.6
Less: Current Reserve	(50.0)
Total Borrowing Base	\$1,129.6
Less: Direct Borrowings	(360.0)
Less: L/Cs	(118.0)
Less: FILO Term Loan Outstanding	(250.0)
Excess Availability	\$401.6

(1) Illustratively assumes 6.0% ineligible.

(2) 83% NOLV represents floor at close for purposes of satisfying Closing Date Minimum Excess Availability Condition.

Indicative Transaction Timeline

January 2019							February 2019						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28		

Bank Holiday

Key Date

Date:

Activity:

Thursday, January 24

- Lender Meeting

Wednesday, February 6

- Commitments Due (12:00pm EST)

Thereafter

- Closing and Effectiveness

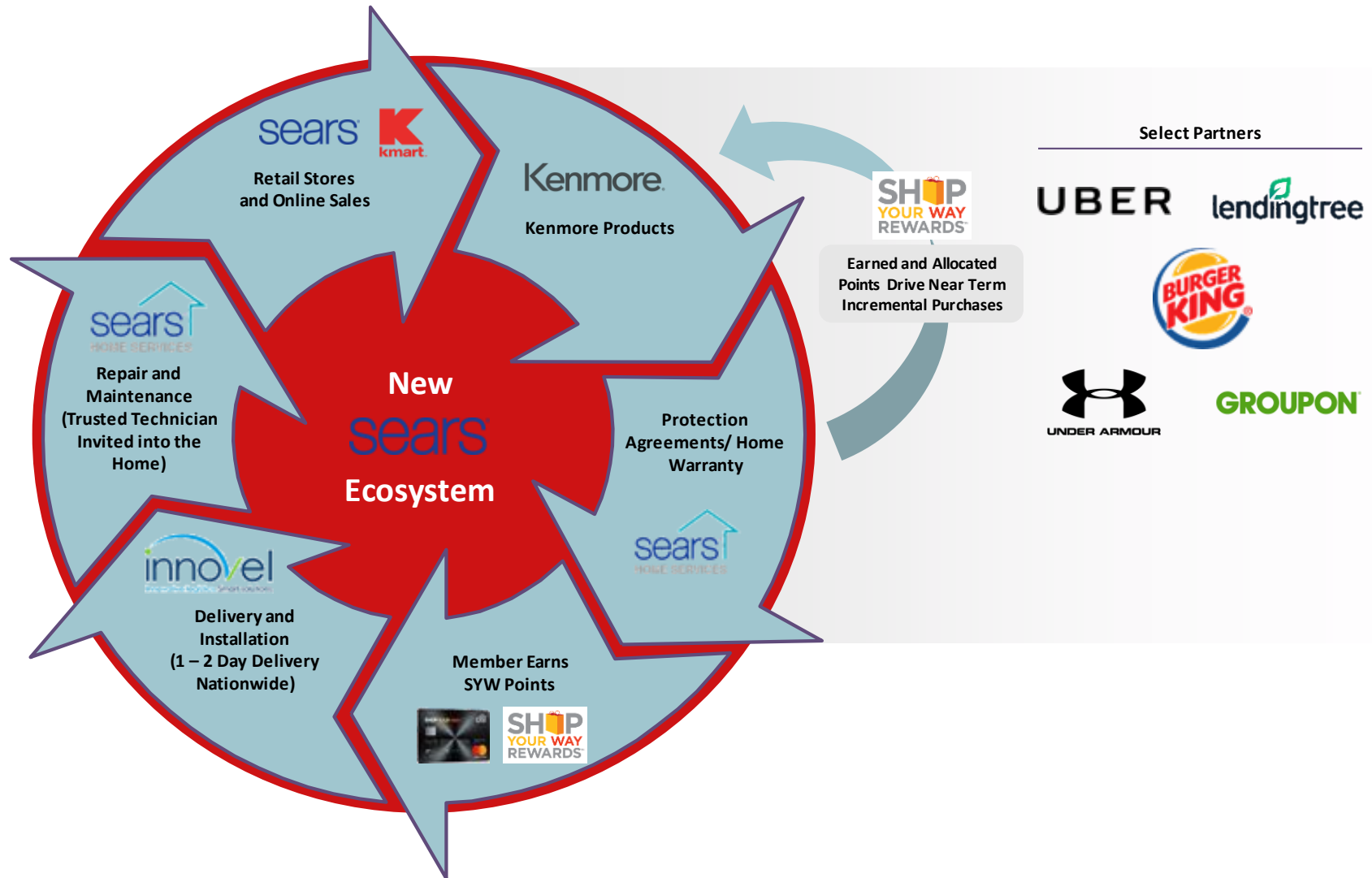
sears



New Sears Overview



Synergistic and Interdependent Ecosystem



New Sears at a Glance

- New Sears emerges positioned for success
 - Shrink retail footprint and grow 4-Wall EBITDA by eliminating unprofitable stores
 - Cut SG&A by approximately 50%
 - Healthier capital structure creates liquidity runway necessary to execute on the Go Forward Plan

	OldCo ¹	New Sears
Store Count	687	425
Total EBITDA	(\$621)M FY18E	\$25M Projected 2019E
4-Wall, Online, SAC, and SYW EBITDA	\$242M FY18E	\$338M Projected 2019E (425 Stores)
Inventory	\$2.7B as of Petition date	\$1.6B
SG&A	\$1.2B annual run rate	\$656M 2019E annual run rate
Debt	\$5.5B	\$1.1B
Supply Chain	140 Supply Chain Assets (includes DCs, RDCs, and MDOs)	120 Supply Chain Assets, with opportunities for rationalization (includes DCs, RDCs, and MDOs)
Kenmore & DieHard	Subject to PBGC claim	Retain financial benefit of the brands
Sears Home Services	Part of SHC	Part of New Sears
Protection Agreements	Underwritten by company pre-petition, Assurant post-petition	New Sears will take existing liabilities; Assurant to write PAs for first three years then return to pre-petition structure

New Sears will have \$400mm of excess availability at close, providing significant liquidity for the go forward business

(1) As of 10/15/18 (petition date).

ESL Investment Thesis

1 Synergistic and Interdependent Ecosystem:

- Strong physical presence and unique locations to support the digital showroom concept – which is important on big ticket and considered purchases – combined with online penetration, home services, credit, and delivery capabilities make for a powerful network value proposition

2 Strong Brand Recognition and Market Share in Key Segments:

- Currently, Sears is the 3rd largest appliance retailer in the U.S. with a 15.3% market share
 - Lowes has 25.8% share; Home Depot has 17.1%; Best Buy has 13.7%

3 Competitive Advantage:

- Sears is a leading B2C delivery & installation provider through its Innoval logistics business
 - Competitive advantage over other market participants with high barriers to entry
 - Amazon and others continue to seek to leverage Sears' capabilities through its Innoval network
- Expansive Financial Services platform with profitable Citi credit card agreement and multiple avenues for continued growth under the partnership

4 Reengaging in Strategic Initiatives:

- Forge partnerships with strategic partners / investors who can bring complementary capabilities
- Ability to expand reach in hardline categories through scaling the small format concept

5 Highly Disciplined Focus on Leveraging Digital Platform:

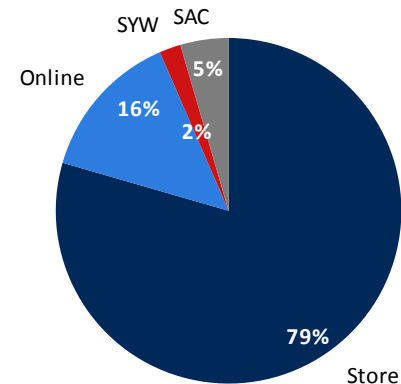
- Robust digital platform (Shop Your Way) which boasts 145MM total registered users including 49MM active users in the last 24 months, 33mm users in the last 15 months, and 15MM redeemers in the past 15 months
 - Personalize pricing capabilities at the member level driven by machine learning data and analytics platform

Sears Retail Business Summary

Business Overview

- Sears' Retail Business consists of its 223 Sears Stores, 202 Kmart Stores and their respective Online presences
- The business is broken into the primary categories below:
 - Hardlines:** composed of Home Appliances (HA), Consumer Electronics, Tools, Lawn & Garden, Outdoor Living, Sporting Goods, Mattresses, and Monark businesses
 - Softlines:** composed of Apparel, Footwear, Home, and Jewelry businesses; these businesses sell an assortment of proprietary brands as well as third-party retail options
 - Sears Auto Centers:** a multi-channel automotive aftermarket service provider offering replacement tires, mechanical diagnostics and repair, vehicle maintenance products and services, batteries and battery-related accessories, as well as automotive accessories and chemicals for cars and light trucks
 - Grocery & Drugstore, Pharmacy, and Children's Entertainment & Seasonal:** sells grocery, household and pet supplies, beauty care, OTC health & wellness, stationery, party supplies, children's entertainment products, seasonal merchandise, dispenses prescription drugs and performs clinical services

Revenue by Segment



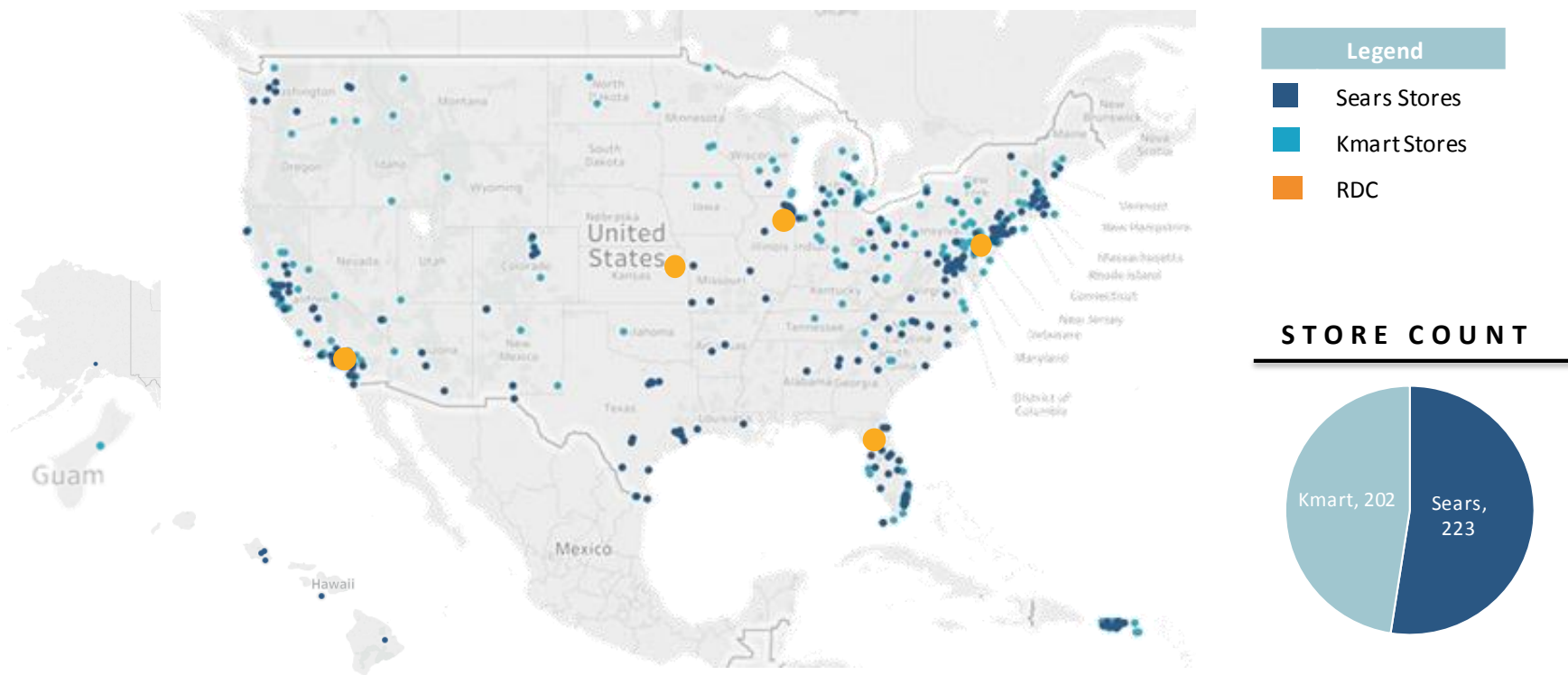
FY 2019E Revenue: \$5.8BN Revenue

Preliminary 2019E Forecasted Financials

(\$ mm)	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	FY19
B&M Same Store Sales (% Change)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)
Brick and Mortar Revenue	\$295	\$381	\$306	\$365	\$446	\$322	\$334	\$383	\$301	\$450	\$639	\$358	\$4,581
Sears Auto Center Revenue	19	24	18	19	24	19	20	24	21	22	28	24	262
Online Revenue	62	75	59	74	93	57	68	80	34	80	83	62	826
ShopYourWay	6	11	6	7	10	7	7	9	6	7	15	7	100
Total Revenue	\$382	\$491	\$390	\$465	\$573	\$405	\$429	\$495	\$362	\$559	\$765	\$452	\$5,768
(-) COGS	(274)	(347)	(260)	(318)	(404)	(278)	(315)	(363)	(255)	(396)	(530)	(331)	(4,072)
Gross Margin	\$108	\$144	\$129	\$147	\$169	\$127	\$114	\$132	\$107	\$163	\$235	\$121	\$1,697
Margin (%)	28%	29%	33%	32%	29%	31%	27%	27%	30%	29%	31%	27%	29%
(-) Operating Expenses	(\$103)	(\$118)	(\$99)	(\$104)	(\$122)	(\$104)	(\$106)	(\$122)	(\$104)	(\$119)	(\$137)	(\$121)	(\$1,359)
Retail EBITDA	\$5	\$26	\$30	\$43	\$47	\$23	\$9	\$9	\$3	\$44	\$97	\$0	\$338
Margin (%)	1%	5%	8%	9%	8%	6%	2%	2%	1%	8%	13%	0%	6%

Overview of Retail Footprint

- New Sears boasts 425 go-forward stores and 120 Supply Chain Assets (including DCs, RDCs, and MDOs) geographically distributed across the US and US territories
- Five states/territories – California, Florida, Pennsylvania, Puerto Rico, and New York – account for approximately 45% of the store count

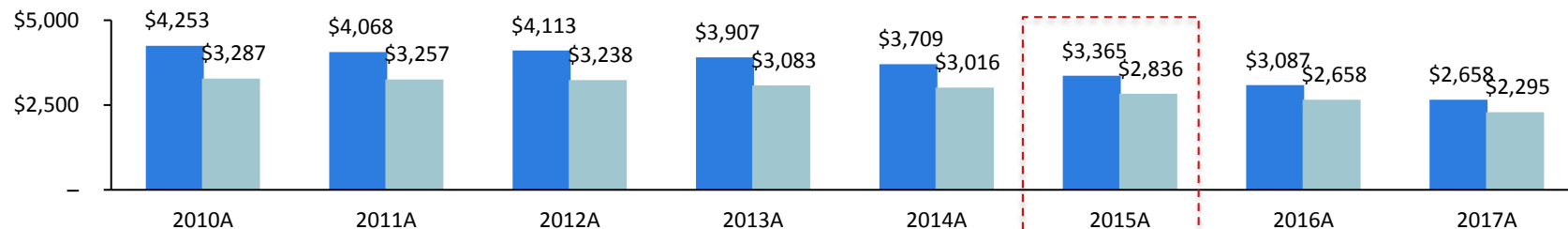


Attractive footprint with geographically diversified assets including retail, industrial and office assets

425 Stores Delivered \$317MM of EBITDA In 2015⁽¹⁾

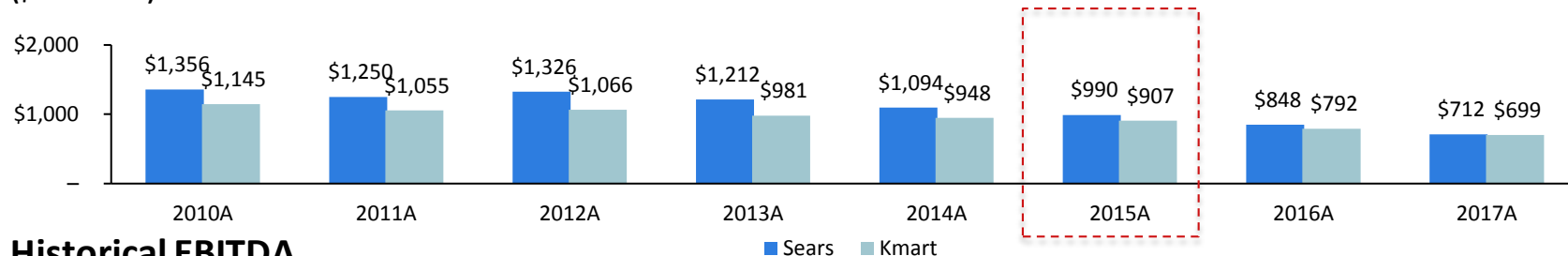
Historical Revenue

(\$ in Millions)



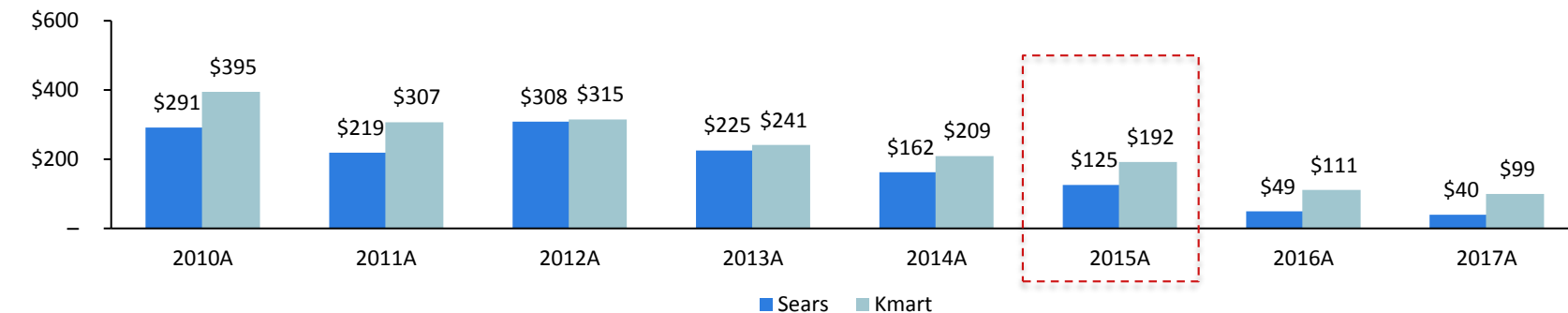
Historical Gross Margin

(\$ in Millions)



Historical EBITDA

(\$ in Millions)



(1) Sears and Kmart store 4-wall financials only; excludes Sears Auto Center, Online and ShopYourWay.

SSS Improved Significantly Pre-Filing

Initiatives by Segment

Softlines Initiatives

- ShopYourWay cashback offers are underway, plus prices have been adjusted upwards by lowering promotional marketing dollars to fund points and improve margin dollars
- Adjusting pricing further to lower promotional depth due to increased demand driven by SYW Points to improve margin dollars

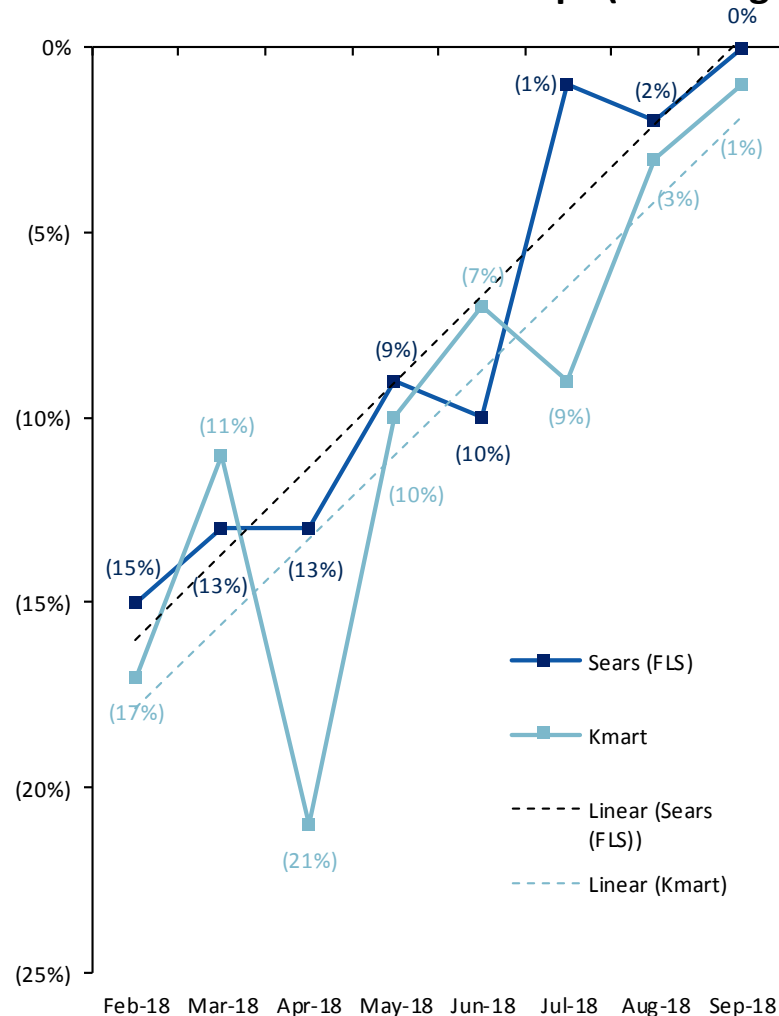


Hardlines Initiatives

- Investment in digital marketing (e.g. search engine marketing, data-feeds, affiliates, retargeting)
- Free delivery
- "Mores of Kenmore"
- Creative offers (e.g. bundled promotions; value-positioned product upgrades, etc.)
- Launch of "leasing online"
- Increased focus on shopping recaps (e.g. "abandoned carts" in store to drive purchase online after store visit)
- Leverage of Home Services data to find potential future home appliance buyers (e.g. higher frequency of service on existing old appliances and declined service estimates/quotes)
- Increased television marketing spend



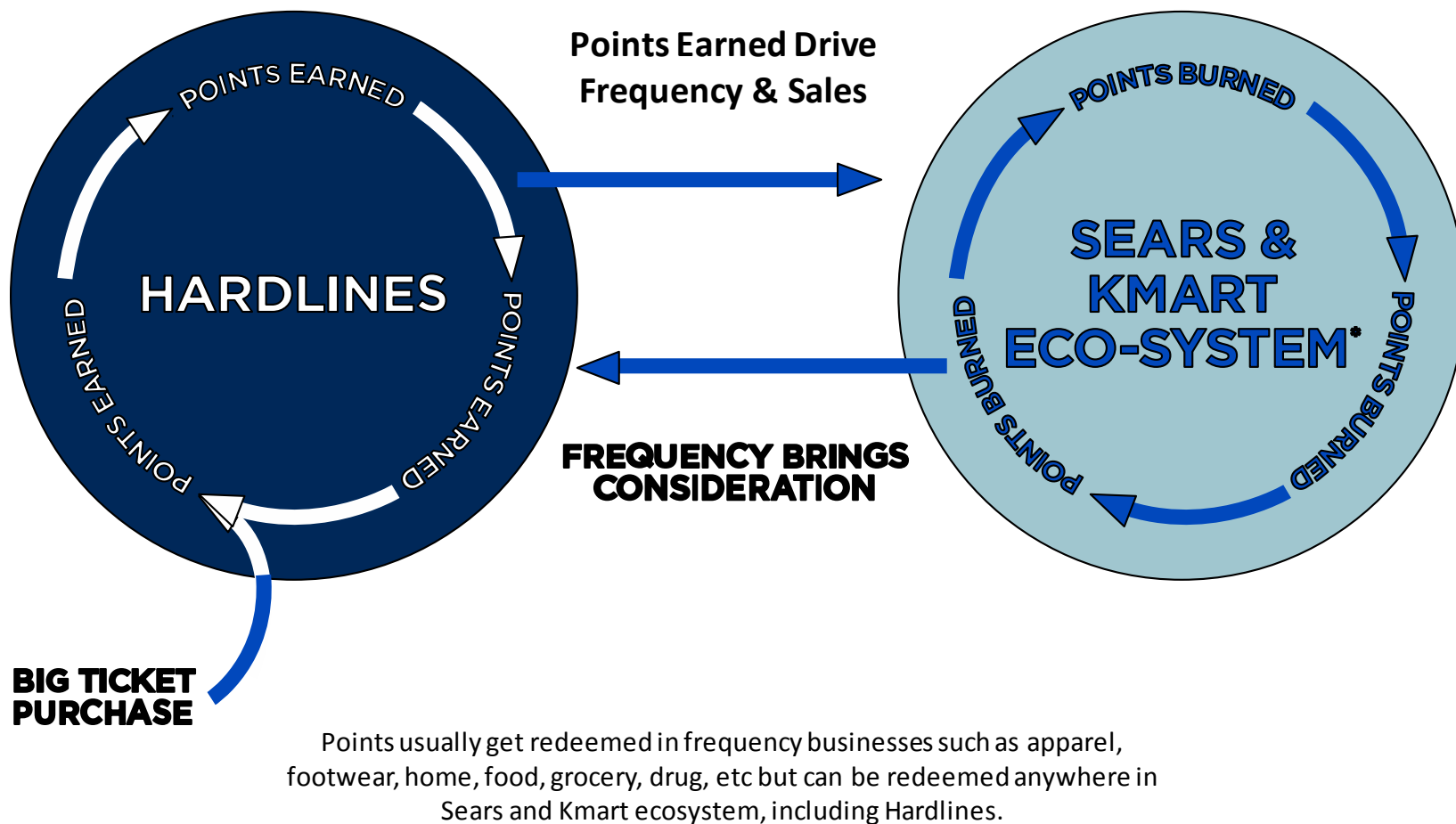
2018 YTD Same Store Sales Comps (% Change) ⁽¹⁾



(1) Same-store comps based on Company data. Includes online, excludes SAC, and is adjusted for the retail week calendar.

Apply Learnings from 2018 to Future Programs

The Sears and Kmart Flywheel—Sales and Repeat



Competitive Hardlines Promotional Strategy

COMPETITIVE
PROMOTIONAL
MARKDOWN OFFER



ADDITIONAL VALUE
WITH SYW CREDIT CARD
(FUNDED BY CITI)



ADDED VALUE WITH SYW
POINTS TO DRIVE REPEAT VISITS
AT BOTH FORMATS

UP TO
40% OFF
APPLIANCES¹
Savings range from 5%-40%.

EXTRA
10% OFF
APPLIANCES²
over \$399 Sears card

SPEND \$100+
on qualifying purchases* at select
Sears stores and sears.com
GET \$100
CASHBACK in points*
in 10 weekly installments

OR
18 MONTHS SPECIAL FINANCING
on all appliances over \$999 with a qualifying Sears card.³
12 months financing available over \$499

PLUS
FREE DELIVERY on all appliances
over \$399 with any
form of payment⁴

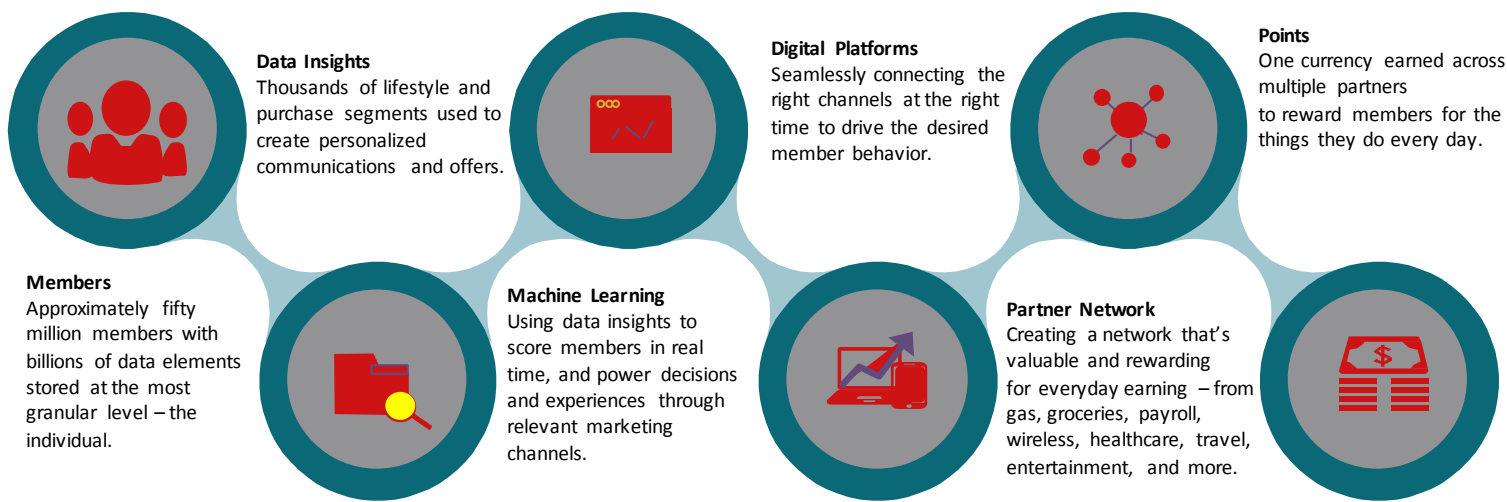
Shop Your Way

Integrating & Digitizing the Sears Platform

Shop Your Way is one of the most sophisticated data, analytics, marketing and rewards engine platforms in the United States. Its advanced data capabilities are the cornerstone of the new Sears experience.

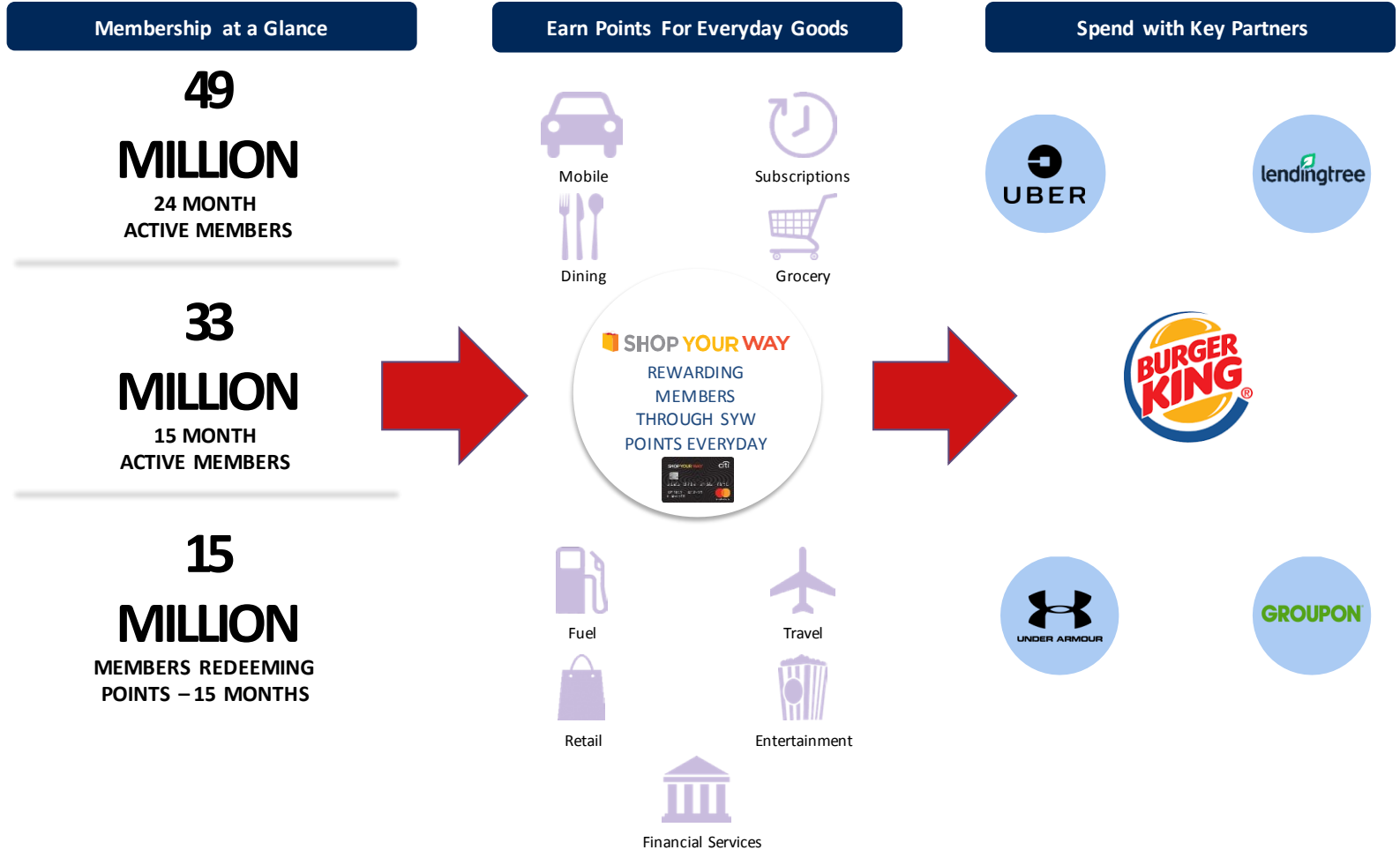
KEY HIGHLIGHTS

- **Shop Your Way leverages unique analytical capabilities and corporate partnerships to create a robust member experience**
 - Creating strong customer relationships is at the core of modern-day retail and building brand equity
 - By leveraging Shop Your Way data, the Company can actively cater to the latest customer trends and effectively plan for the future in an agile manner
- **Shop Your Way provides substantial intelligence to Sears Brick and Mortar Business, as well as its other core operating businesses**



Shop Your Way

SYW Offers a Large Network of Members Value Everyday



E-Commerce Business

Online Business in the SHC Ecosystem



The Online business leverages and supports the Sears ecosystem by delivering a integrated retail experience for members

- **Traffic:** Generate traffic by making investments in Points, Digital Marketing, and Owned Marketing (email, text, social)
- **Selection:** Online assortment consists of store assortment, online exclusive owned inventory, drop-ship vendors, and marketplace sellers
- **Fulfillment:** Integrated retail capability to ship from warehouse, ship from store, pickup in store, and deliver and install (Innovel)

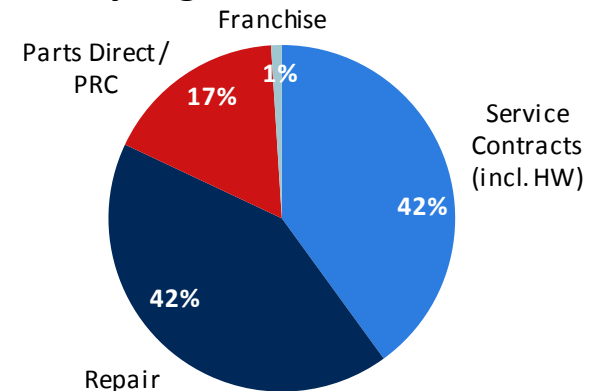
(\$ in million)	2018 Sales (FCST)		Integrated Retail Channel %			
	Sales \$	% of Total SHC	Ship from DC%	Ship from Store %	Store Pickup %	Delivery (Innovel) %
Total Online	\$1,449	16%	13%	14%	13%	50%
Sears.com	\$1,170	22%	12%	11%	22%	55%
Kmart.com	\$156	5%	24%	34%	39%	3%
Marketplace GMV	\$122	0%	0%			

Sears Home Services Business Summary

Business Overview

- Sears Home Services ("SHS") provides repair services and service contracts for appliances, electronics, outdoor power equipment, residential heating & cooling systems, power tools and fitness equipment
- The largest provider of appliance and lawn & garden parts for the DIY community at 2x–3x the next largest competitor
 - The PartsDirect business has over 130k SKUs on Amazon and eBay marketplaces
 - 88% of customers that purchase on Amazon are new to Sears
- SHS provides a comprehensive suite of service contracts for single appliances or warranties for all appliances in the home
- The largest broad line provider of product repair services to SHC customers, manufacturers, third party administrators, insurance & warranty companies and general consumers
- Franchise services include carpet & upholstery care, air duct cleaning & indoor air quality, garage solutions, maid services and handyman solutions

Revenue by Segment



FY 2019E Revenue: \$1.7BN Revenue

Preliminary 2019E Forecasted Financials

(\$ mm)	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	FY19
Home Services													
Revenue	\$127	\$160	\$131	\$133	\$166	\$135	\$132	\$162	\$125	\$126	\$155	\$129	\$1,681
(-) COGS	(\$32)	(\$41)	(\$36)	(\$37)	(\$46)	(\$38)	(\$38)	(\$43)	(\$30)	(\$32)	(\$39)	(\$33)	(\$444)
Gross Margin	\$94	\$119	\$95	\$96	\$120	\$97	\$95	\$119	\$95	\$94	\$116	\$96	\$1,237
Margin (%)	74%	74%	73%	72%	72%	72%	72%	73%	76%	75%	75%	75%	74%
(-) Operating Expenses	(\$80)	(\$97)	(\$82)	(\$83)	(\$102)	(\$84)	(\$83)	(\$100)	(\$82)	(\$82)	(\$98)	(\$81)	(\$1,053)
EBITDA	\$14	\$22	\$13	\$14	\$18	\$13	\$12	\$19	\$13	\$12	\$17	\$15	\$183
Margin (%)	11%	14%	10%	10%	11%	10%	9%	12%	11%	9%	11%	12%	11%

Note: Excludes SHIP.

Credit Card Portfolio Overview

Overview of Current Program

20mm Accounts	1.8mm New Accounts	\$1,748mm New Account Spend
\$4,408mm Internal Spend	\$10,389mm External Spend	\$13,660mm Avg. Receivables
\$132mm Cash Payments to Sears	\$221mm Other Program Economics ¹	Sears Share 10.5 % / 17.5 % 2017 Pre-Tax Income

ShopYourWay/ Private Label

New Account Portfolios



\$4,332mm
Spend

\$3,508mm
Avg.
Receivables

\$101mm Cash Payments to
Sears

\$135mm Other Program
Economics¹



\$1,543mm
Spend

\$1,768mm
Avg.
Receivables

Thank You/ Non Rewards

Legacy Portfolios



\$8,923mm Spend

\$8,384mm Avg. Receivables

\$31mm Cash Payments to
Sears

\$85mm Other Program
Economics¹

Terms & Economics

- 5-year extension through November 2025
 - Optional extension of 2 additional years through 11/27, predicated upon Sears meetings performance hurdles
- Sears has the option to repurchase / arrange for 3rd party repurchase of program assets
 - Repurchase option is only for SYW/PL program and eligible at the end of the 2-year extension (11/27)
- 2018 – 2020 Economics: Economic sharing largely in line with the current program agreement
- After 2020 Economics: Economic sharing predicated upon Sears opening new accounts / total program sales for SYW/PLCC and on total program sales for TY/NR
- Marketing support to include permanent support of SYW externalization; non-contractual support on good faith terms
- Continuation of Commercial Lending Program and Private Label program (subject to certain triggers) in full line stores

Strategic Benefits

- Revenue sharing program with the Credit Card Partner (Citi)
- Synergy generated from the integration of the Credit Card portfolio with SYW
- Size and store footprint of New Sears will continue to drive the economics of the Credit Card Portfolio

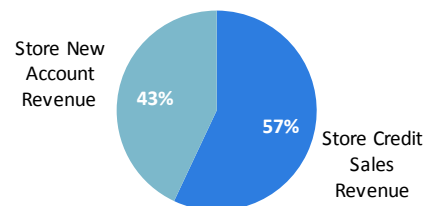
Credit Card Agreement Summary

Business Overview

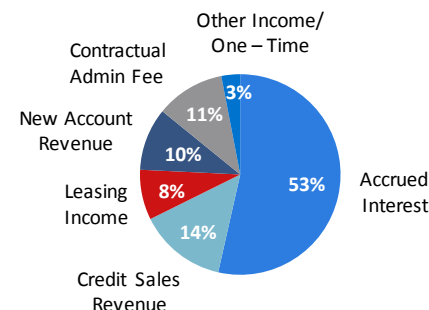
- The SYW Financial Services Business Unit ("SYWFS") provides credit, financial products, and payments through a number of retail formats, as well as online and commercial channels
- Diverse product portfolio includes:
 - Consumer Credit (Private Label and General Purpose Cards)
 - Third Party Payment Options (Visa, MasterCard, American Express, Discover, PIN Debit)
 - Layaway
 - Gift Card
 - Alternative Financial Services (Check Cashing, Bill Pay, etc.)
- Provides financing options to support customers' ability to pay and drive incremental visits and profits to SHC retail locations and increase loyalty and of customers to SHC via the SYW rewards program
- Citi card agreement also saves the Company ~\$45MM of interchange fees which are not included as part of the business unit's EBITDA

Revenue by Segment

Store Related Revenue ⁽¹⁾



Non-Pass Through Revenue



FY 2019E Revenue: \$49MN Revenue

Preliminary 2019E Forecasted Financials

(\$ mm)	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	FY19
Financial Services													
Revenue	\$3	\$4	\$3	\$4	\$5	\$3	\$4	\$4	\$3	\$5	\$7	\$4	\$49
(-) Operating Expenses	(\$0)	\$0	(\$0)	(\$0)	(\$1)	(\$0)	(\$1)	(\$1)	(\$0)	(\$1)	(\$1)	(\$0)	(\$5)
EBITDA	\$3	\$4	\$3	\$4	\$4	\$3	\$3	\$4	\$3	\$4	\$6	\$4	\$44

(1) Revenue by segment based on LTM revenue as reported by the Company.

sears



Cost Transformation

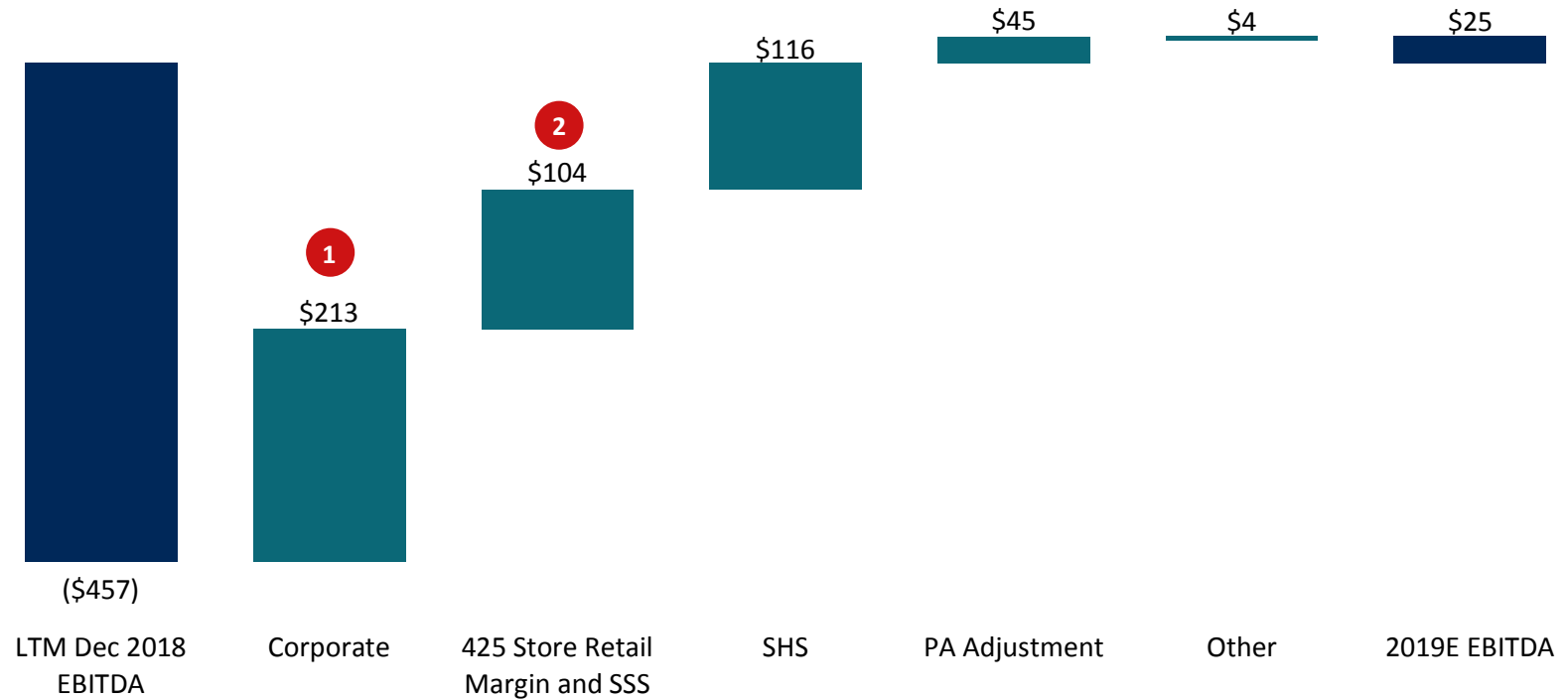


Key Initiatives will Drive Margin & EBITDA Growth

Initiative	Description
SG&A:	<ul style="list-style-type: none"> ■ Initiatives to reduce corporate SG&A expense from ~\$1.2BN to an annual run-rate of ~\$700MM by the end of 2019 ■ Payroll reductions on over 1,000 positions in November – and reductions of over 650 positions in January of 2019 ■ >\$250MM in non-payroll reductions focused in marketing, IT, contracts, and professional services across back-office groups
	<ul style="list-style-type: none"> ■ Supply chain costs reduced by \$73MM through a reduction in non-core distribution centers
	<ul style="list-style-type: none"> ■ Reduce the number of SKUs across the company – includes better use of distribution center storage and favorable vendor costs
	<ul style="list-style-type: none"> ■ Leverage brands between Kmart and Sears formats – includes rollout of Jaclyn Smith and Adam Levine product lines ■ Develop competitor data scraping capabilities to help identify pricing and trend opportunities early on ■ In-stock: continuously improve in-stocks while minimizing non-productive inventory ■ Replenishment: differentiation between basics and seasonal items and implementation of pack/size optimization
SHS Initiatives:	<ul style="list-style-type: none"> ■ Direct to Consumer ("D2C") – continued technician investment, improved pricing techniques, and optimized marketing efforts
	<ul style="list-style-type: none"> ■ Business to Business ("B2B") – improvements to pricing strategy, service quality, and job-completion turnover times
	<ul style="list-style-type: none"> ■ PartsDirect website rebuild – enable multi-touch marketing analytics to better understand and improve the customer journey

LTM Dec 2018 EBITDA to 2019E EBITDA Bridge

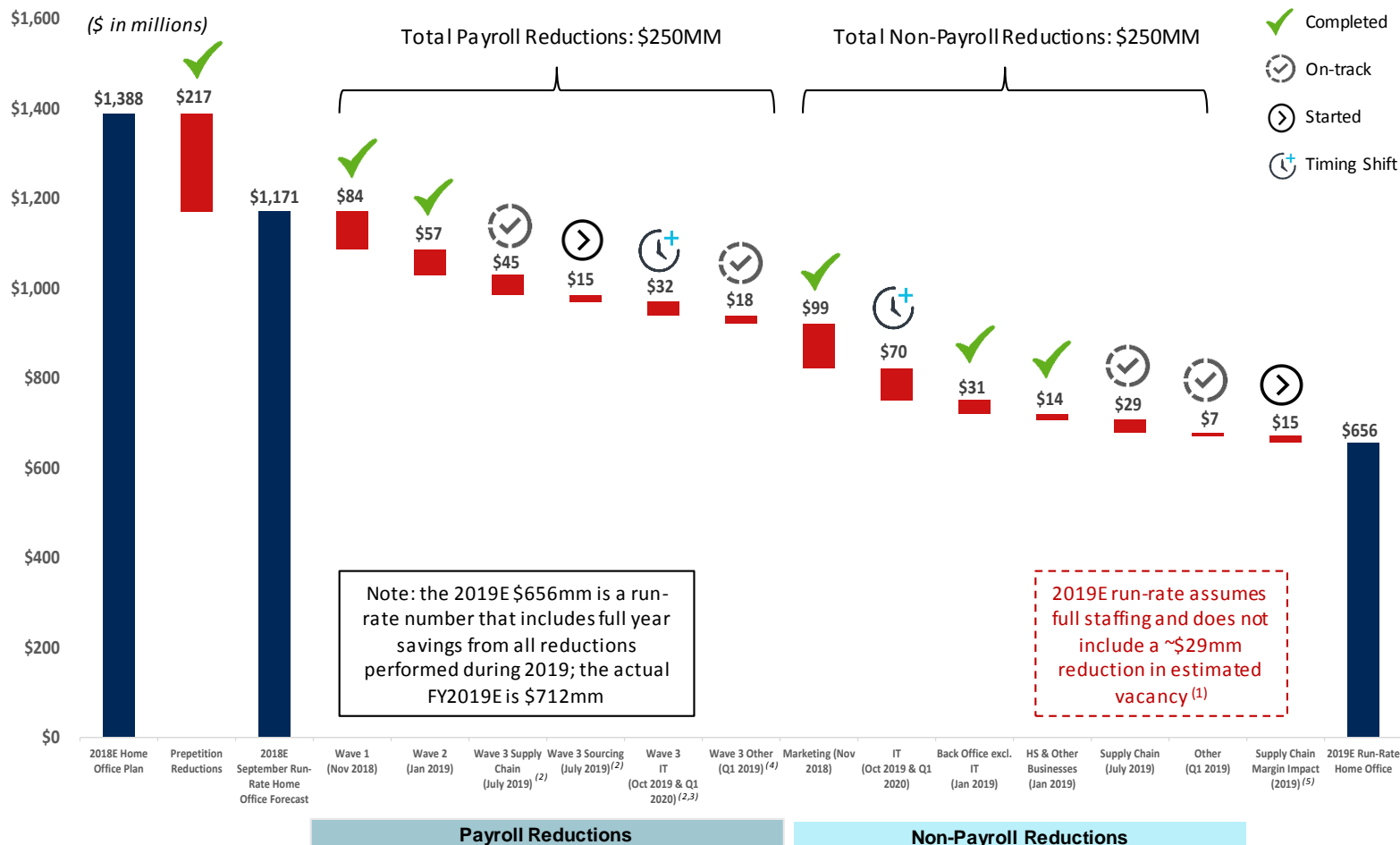
(\$ in millions)



1

Significant SG&A Run-Rate Impact From Reductions

SG&A Home Office Bridge from FY2018E to Run-Rate FY2019E (\$ in millions)



- (1) 2018E September run-rate and 2019E run-rate assume full staffing (vacancy not included); September 2018 YTD average vacancy of 7.3% represents a \$47.7mm reduction in the 2018E September run-rate and \$29.4mm in the 2019E run-rate; the average vacancy rate of October through December 2018 is 14.4%.
- (2) IT and Supply Chain migrating systems and facilities to lower cost solutions; Sourcing meeting held to kick off process.
- (3) ~\$56mm of IT reductions are pro forma for reductions achieved through Q1 2020; uncertainty of a potential liquidation prevented the company from signing multi-year deals without a termination for convenience clause.
- (4) Primarily retailing and back office actions that are currently not part of wave 1 and 2.
- (5) Incremental margin from Innovent 3rd party revenue.

Progress on SG&A Reductions Deliver Savings

- We have made material progress on SG&A right sizing initiative since November 2018, resulting in \$141mm reduction in payroll costs
 - ✓ In November 2018, we actioned 1,059 positions for a total savings of \$84 million
 - ✓ In January 2019, we actioned additional 686 positions for a total annual savings of \$57 million
- We are on track to achieve additional \$114mm in savings
 - ✓ Non payroll savings of \$45mm by end of Jan through expense reductions in Back Office, Home Services and SAC
 - ✓ Supply Chain savings of \$69mm of \$74mm by July 2019 (Working to solve ~\$5mm due to timing on IT implementation in the DART facility)
- In addition, we have started another workstream to drive \$15mm of savings through Sourcing
- Due to the Chapter 11 process and the uncertainty of a potential liquidation, we believe it was prudent to not commit the Company to multi-year contracts without termination for convenience clause. This delay in signing of contracts pushed out run-rate reductions into Q4 of 2019
 - ⌚ Consistent with our view in December, we would not replace inventory and financial systems in Q4, therefore pushing to February 2020. Delay from October 2019 to Feb 2020 will result in \$5mm overrun/month for a total of ~\$25mm. Bulk of reduction expenses are tied to the mainframe. As soon as we exit the mainframe, monthly costs drop by almost 50% – there is no gradual or partial reduction
 - ⌚ Run-rate of \$64mm will still be achieved but not until Q1 of 2020. Reduction delay will be mitigated by an estimated ~\$29.4mm in vacancies that were not included in the forecasted \$656mm FY19E run-rate

✓ Completed

✓ On-track

⌚ Timing Shift

IT Overhaul Reduces Overhead by \$102MM

~\$30MM investment required to achieve a \$102MM reduction in annual spend to an annual run-rate of \$64MM

Strategy to Achieve Reduction

- Fundamental strategy change – replace legacy applications with SaaS solutions and exit internal data centers
 - Requires less FTEs to operate – less infrastructure heads and less developers (\$6MM/month to \$2.1MM)
- Deliverables:
 - Implementation of an ERP application – enables the deprecation of mainframes
 - Implementation of CRM and cloud based contact center – improves member experience as the agent will have a full 360 view of the member from a single screen and take out cost such as deprecation of legacy telephone infrastructure
 - Creation of a single product master (hierarchy) – simplifies the business. For example, same SKU used across all format. It also enables us to consolidate technology.
For example, a single conveyable warehousing system, a single POS
 - Our Non FTE spend drops from \$9MM/month to \$2.5MM. ~ \$5MM (65%) is mainframe + outsourced infrastructure support resources
- The key risks are the (1) company's ability to absorb so much change over a short time period. For example, many business processes will need to change; (2) we will discover something that we didn't foresee. We need to execute with military grade precision, extreme paranoia and issues should be surfaced and resolved in real time. Net, its all about execution

Assortment Optimization & In Stock Replenishment

Assortment Optimization and In-Stock & Replenishment Initiative Drives \$80mm in Incremental EBITDA in FY2019

Assortment Optimization

Reduce the Number of SKUs Across the Company

- Reduce inventory levels at end of the season
- Optimize the fabric use through creation of a fabric library
- Leverage distribution storage capacity
- Negotiate better Free on Board ("FOB") costs with vendors
 - Apparel and footwear divisions reduced their respective SKU numbers by 31% in 2018 and 33% in 2017
 - 2019 SKU reduction is projected at 20%
 - Reduced FOB by \$110MM since end of 2016 by moving receipt from domestic to import and increasing sourcing mix of Bangladesh and India
- Reduced markdown liability by \$120MM in 2018

Leverage Brands Between Kmart and Sears Formats

- Expand Jadyn Smith to Sears stores → started this year
- Expand Adam Levine to Sears → planning to be fully rolled out planned by end of 2018
- Simply Style moved from Sears to Kmart in Q3
- Plan to expand outdoor life to Kmart in early Q1

Develop Competitor Data Scraping Capabilities

- Leverage price opportunity by product category
- Identify color, style gap earlier in the season

In-Stock & Replenishment

Objective

- Continuously improve in-stocks while minimizing non-productive inventory
- 95% in-stock goal by store & product vs. ~92% currently
- 52-week rolling forecast and refined planning algorithms

Initiatives

- **Lost Sales Reduction:** Lost sales improvement realized in both basic and seasonal areas through improved demand forecasting
- **Reduction of Aged Inventory:** Aged inventory including inventory greater than 80 days ("GT80") will be reduced, specifically demand forecasting improvement and incremental single item replenishment exposure
- **Supply Chain Savings:** Single item replenishment are balanced with the costs of picking vs replenishing size packs

Impacts

- Gains realized in basic replenishment and seasonal product
- Basics split between two tracks to accommodate packaging and replenishment differences
- Seasonal product focus will be on flowing product to maximize sales and minimize markdowns
- Pack size optimization enhances size; improvements to assortment mix
- EBITDA is compressed due to high distribution center costs from size pack to SIR (17% today)
- Single apparel distribution center with pick and pack will reduce costs to 5%

sears



Historical Financials



Historical Financials

425 Stores -- LTM Period ended December 2018

(\$ mm)	Dec 2017	Jan 2017	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	LTM Dec-18
Retail (1)	756	443	376	480	383	459	563	398	422	486	354	496	600	5,459
Home Services	160	158	129	166	135	142	186	151	144	166	119	121	136	1,753
Financial Services	3	5	3	3	2	2	6	4	4	4	4	4	4	46
Other Businesses (2)	48	44	41	45	34	37	48	45	45	58	35	27	30	490
Adjustment	4	19	(5)	6	6	4	9	4	1	(3)	7	(7)	14	55
Revenue	970	668	545	699	560	644	812	604	616	711	519	641	784	7,803
Retail	221	111	98	130	119	134	153	116	102	116	93	119	146	1,436
Home Services	118	117	94	120	95	100	134	107	101	118	89	89	101	1,265
Financial Services	3	5	3	3	2	2	6	4	4	4	4	4	4	46
Other Businesses	8	9	6	6	4	5	6	6	5	7	4	2	2	63
Adjustment	1	16	1	(2)	(7)	(5)	(4)	4	(3)	(3)	16	2	5	20
Gross Margin	350	258	202	257	213	238	296	237	209	242	206	216	257	2,830
% of revenue	36%	39%	37%	37%	38%	37%	36%	39%	34%	34%	40%	34%	33%	36.3%
Retail	86	(4)	(1)	15	21	30	30	15	(4)	(7)	(8)	14	20	121
Home Services	15	12	5	14	7	9	21	12	10	13	8	11	4	126
Financial Services	3	5	3	3	2	2	6	4	4	4	4	4	4	45
Other Businesses	0	2	0	(0)	(3)	(0)	(0)	(1)	(1)	1	(4)	(5)	(4)	(16)
Adjustment	14	27	12	12	11	6	9	13	8	6	27	9	16	156
SG&A/ Supply Chain & Logistics	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(887)
EBITDA	44	(32)	(54)	(31)	(36)	(28)	(8)	(31)	(58)	(57)	(46)	(40)	(34)	(457)
% of revenue	5%	-5%	-10%	-4%	-7%	-4%	-1%	-5%	-9%	-8%	-9%	-6%	-4%	(6%)

(1) Retail relates to the go forward 425 stores, SAC, and SYWR.
(2) Other Businesses relates to Kenmore and Monark.

sears



Q&A



sears



Appendix

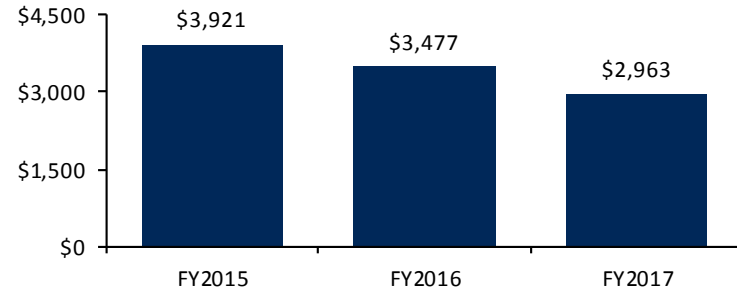


Kenmore Business Summary

Business Overview

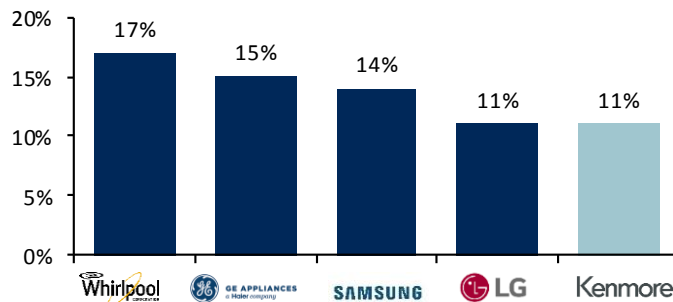
- Kenmore is broken into two business units
 - Major Home Appliance: Markets and sells refrigerators and freezers, laundry washers and dryers, cooking ranges and ovens, and dishwashers (#5 overall ranked leader in major appliances (11% U.S. sales share))
 - Small Appliance: Markets and sells small kitchen appliances, water softeners, electric air cleaners, vaporizers, vacuums, steam cleaners, room air conditioners, outdoor grills and over the counter microwaves
- The majority of its products manufactured via contracts with OEMs
- The majority of its current distribution via Sears-branded retail stores but with rapidly growing third-party distribution (e.g. Amazon)
- No. of Households: ~100MM as of 2017E (cumulative)

Historical Revenue ⁽¹⁾



Leading U.S. Market Share

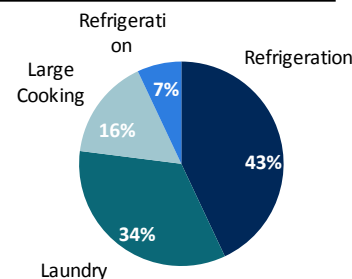
(2017E Sales Share by Brands, %)



Financial Overview

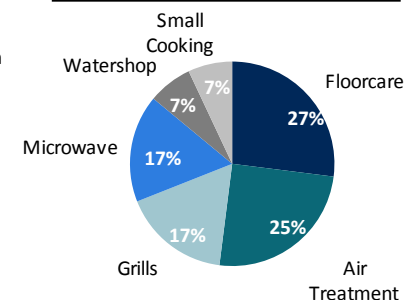
(LTM Dec 2017 Sales)

Major Home Appliance



\$2.5BN in Sales

Small Appliance



\$348MM in Sales

(1) Kenmore records revenue based on gross retail sales (included in Hardlines) or its license revenue from Sears sales of Kenmore branded products and third party sales.

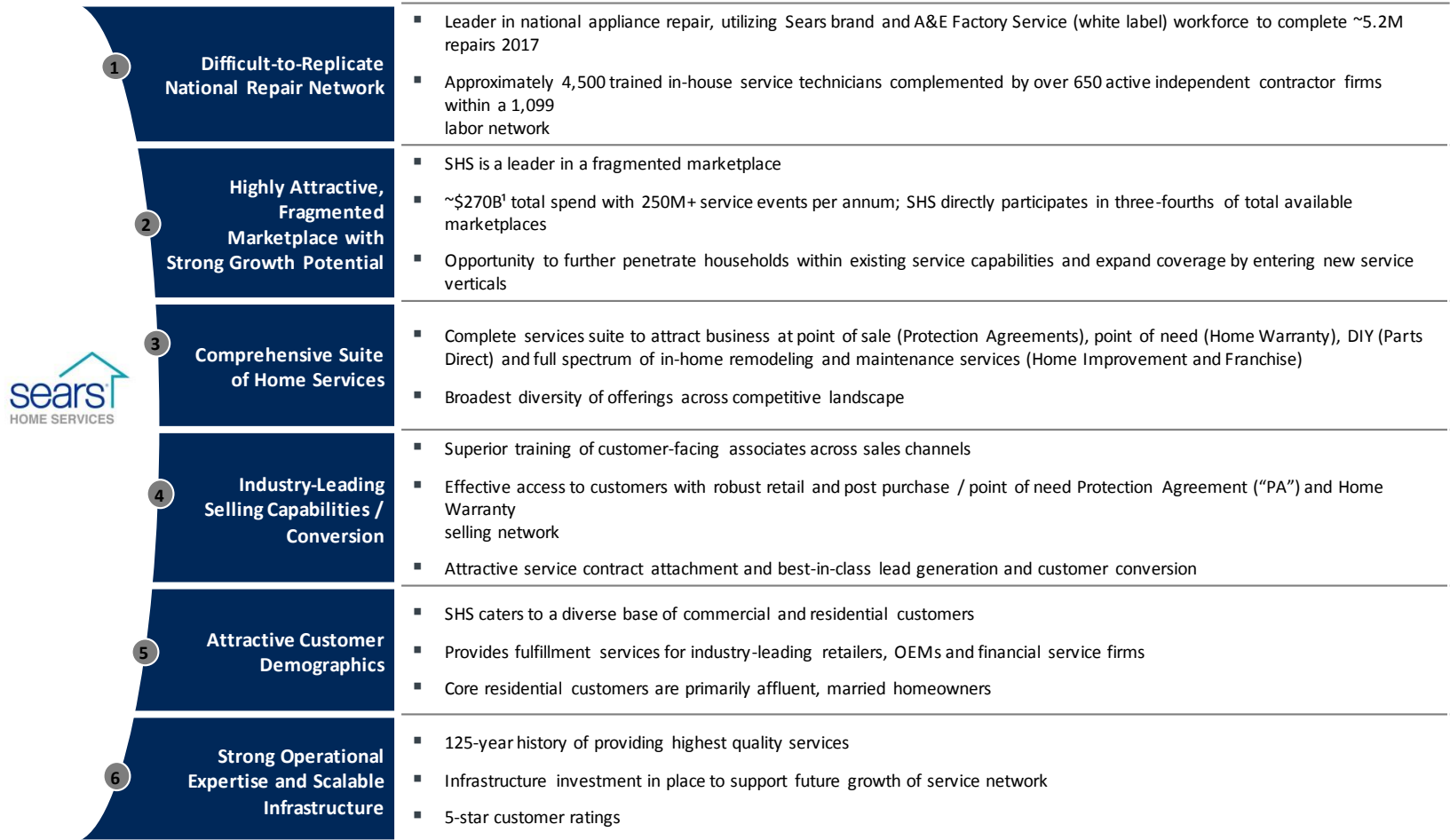
Kenmore Investment Highlights

	Highlights	Externalization and Other Opportunities for Partner
1 Iconic American Brand that is Synonymous with Quality	<ul style="list-style-type: none"> Earned 7 “Best of 2018”, 4 #1 Products, 3 “Top Ten” and 2 “Best Buy” awards from Consumer Reports in 2018 	<ul style="list-style-type: none"> Further expand and externalize an already established, iconic American brand
2 Industry Leadership in Major Appliances	<ul style="list-style-type: none"> Significant market share despite Sears performance and capital constraints 	<ul style="list-style-type: none"> Recover share recently ceded as result of Sears store closures and comp sales performance
3 Access to a Robust National Distribution Platform	<ul style="list-style-type: none"> Robust distribution and service platform supported by Sears service network (Innovel and Sears Home Services) Successful nationwide launch of major appliances on Amazon.com (first in the industry) 	<ul style="list-style-type: none"> Accelerate externalization through other channels outside of Sears (e.g. mass discounters, big box specialty, online)
Kenmore 4 Delivering Turn Key Solution to Retailers	<ul style="list-style-type: none"> Partnership with Innovel and Sears Home Services enables scalable, national network for “one-stop-shop” and “purchase-everyday use-replacement” coverage Success on Amazon.com demonstrates “Turn Key” potential for external channel expansion 	<ul style="list-style-type: none"> Drive Amazon and future external retail partnerships with last-mile “through-the door” delivery and expert installation services
5 Significant Opportunity from Connected Home Strategy	<ul style="list-style-type: none"> Access to key data on customers’ usage patterns and preferences across entire nation through smart products Smart data collected facilitates new targeted offers (for customer retention), after-sales service leads and other revenue opportunities 	<ul style="list-style-type: none"> Gain sales, after-sales leads and other revenue opportunities generated by data from smart products Expand into other adjacent areas of home automation
6 Track Record of Successful Innovation	<ul style="list-style-type: none"> A long history of successful product launches with patented intellectual property Strong product development pipeline with more than 290 new product launches in last two years 	<ul style="list-style-type: none"> Expand R&D efforts and Innovation through strategic OEM partnership
7 Strategic Supply Chain Relationships with Leading Vendors	<ul style="list-style-type: none"> 3 of 4 major OEM agreements secured through 2020 with 1 key OEM negotiation expected to conclude shortly 	<ul style="list-style-type: none"> 1 of 3 major vendors secured through 2020, with other two key vendor negotiations expected to conclude in Q3 2018

(1) Based on IBISWorld data.

Sears Home Services Investment Highlights

Total Addressable Home Services Spend is ~\$270B¹; SHS Is Positioned to Expand Services to Customers via a Comprehensive Nationwide Network



(1) Based on IBISWorld data.

Sears Home Services Capabilities

Sears Home Services (“SHS”) provides Industry-Leading Products, Services and Fulfillment Capabilities. SHS provides repair services and service contracts for appliances, electronics, outdoor power equipment, residential heating & cooling systems, power tools and fitness equipment



SHS

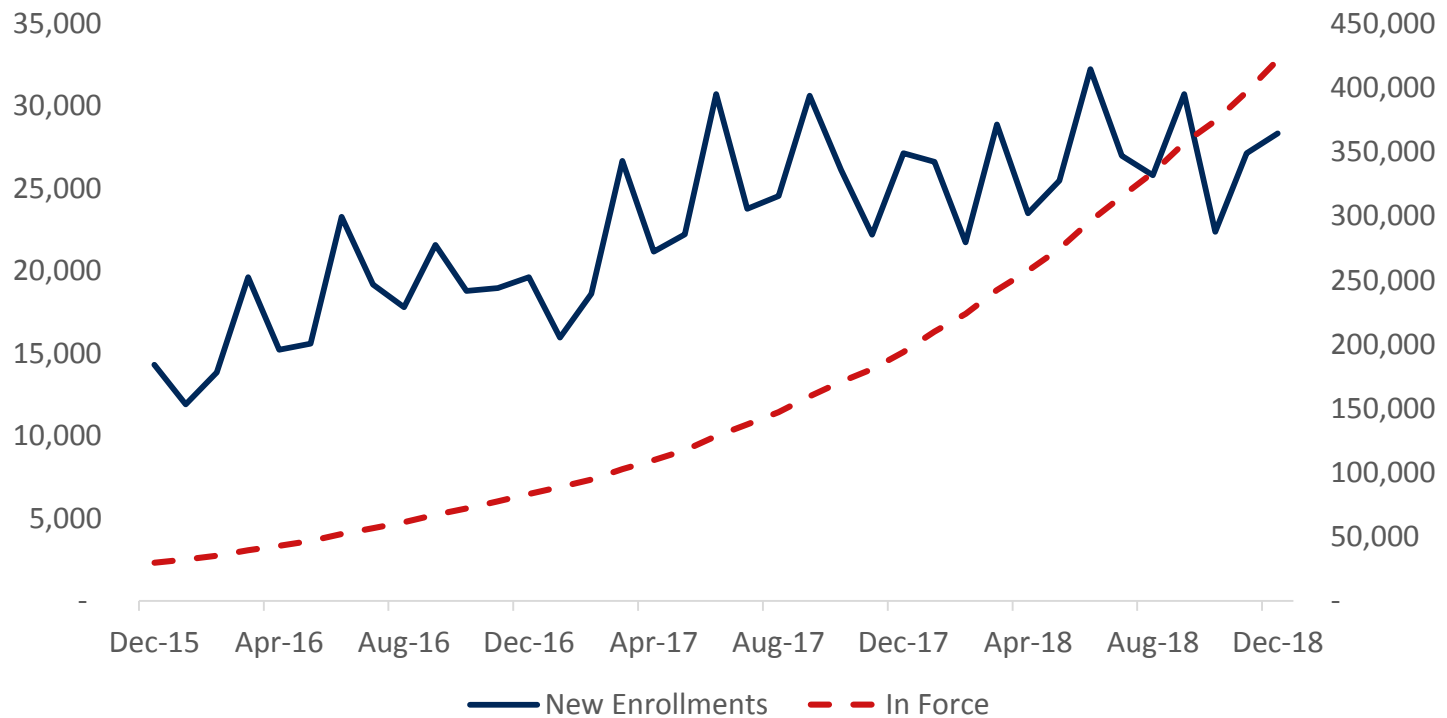
Current Services Portfolio	Protect (Service Contracts)	Fix (In-Home Repair)	Do-It-Yourself (“DIY”) (Parts Direct)	Maintain (Franchise)	Improve (Home Improvement)
	<ul style="list-style-type: none"> Protection Agreements Home Warranty Replacement Plans 	<ul style="list-style-type: none"> In-Home Service & Repair 	<ul style="list-style-type: none"> Parts Sales 	<ul style="list-style-type: none"> Carpet & Upholstery Cleaning Duct Cleaning Floor & Tile Cleaning Handyman & Maid 	<ul style="list-style-type: none"> Roofing, Siding, Windows Bath, Kitchen HVAC Service & Install Flooring & Garage Doors

How SHS Adds Network Value

- Continued customer relationship
- Provides opportunity for after market value
- Opportunity for technicians to make incremental sales

Utilizing an end-to-end customer solution across a suite of services & product offerings is central to the broader Sears strategy

SHS: Growth in Home Warranty Sales



Home Warranty Sales have continued to grow over the last 36 months, with over 400,000 contracts now “in-force”

Innovel Business Summary

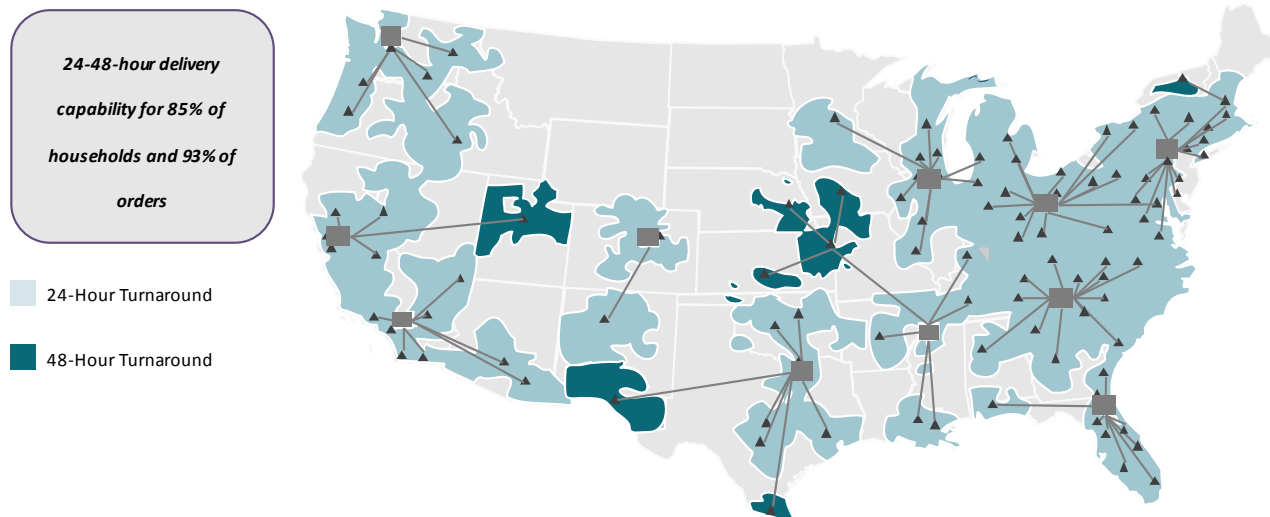
Innovel Overview

- World class third-party logistics provider with unique end-to-end nationwide capability to execute both the middle mile and final mile for Big and Bulky items
- Provide a variety of services including 2-day and next day delivery, complex installation, industry leading online fulfillment capability, U.S.-based customer service, commercial sales B2B support, transportation solutions and warehousing
- Substantial opportunity for profitable growth by continuing to centralize externalizing business

Key Figures

- ~2,200 employees located across the country
- 11 middle mile distribution centers placed across the country
 - Collectively occupy ~9.3mm square feet and over 500 acres
- 3 offshore retail distribution centers
- 108 final mile cross-dock centers, capable of home delivery
 - Collectively occupy ~9.3mm square feet

Next Day and 2 Day Capabilities



Innovel Investment Highlights

Innovel has ample room for organic, profitable growth via externalization and footprint optimization

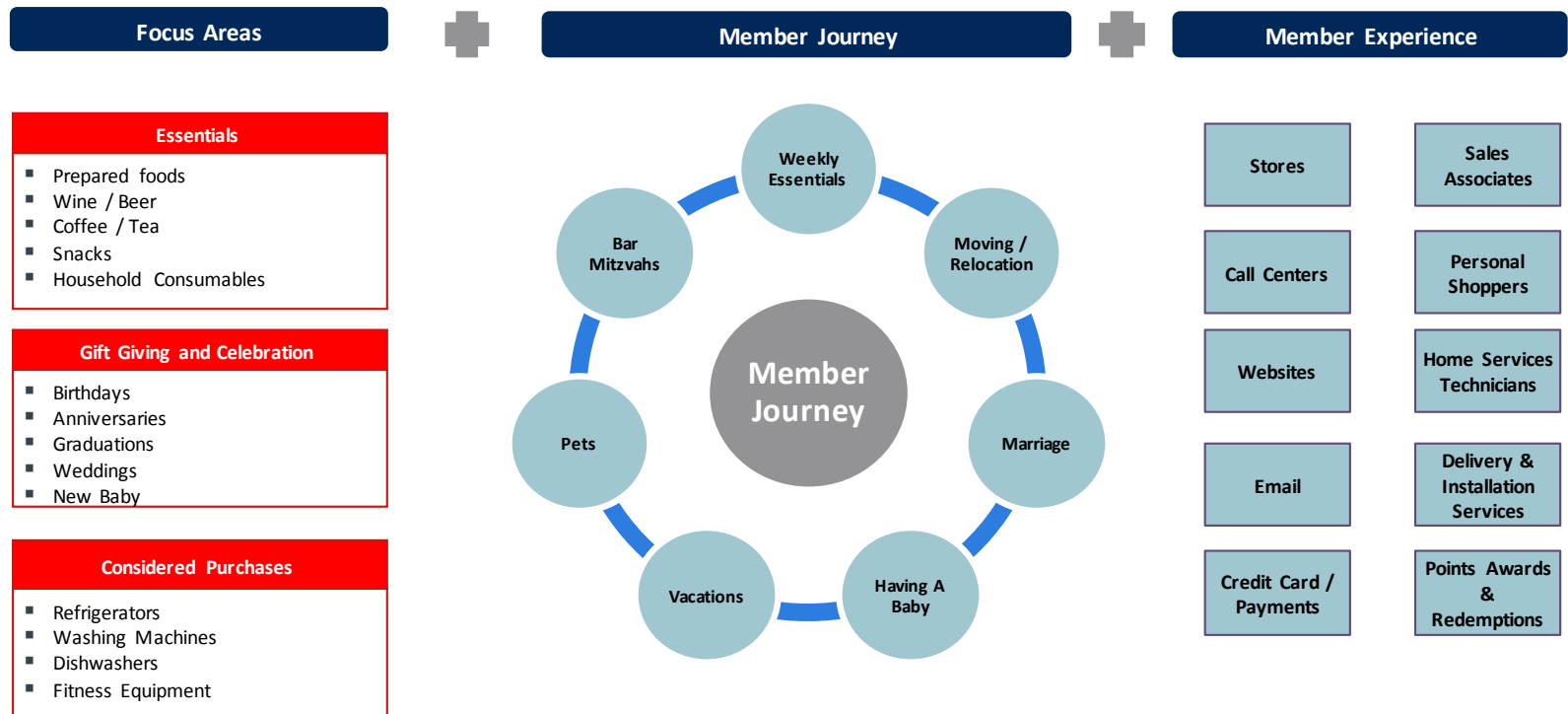


<p>1 Difficult-to-Replicate National Distribution Network</p>	<ul style="list-style-type: none"> World-class distribution network, utilizing 11 up-to-date distribution facilities and 108 MDO facilities, collectively occupying ~9.3mm square feet and over 500 acres Approximately 2,200 employees and strong relationships with third party carriers, enabling industry-leading delivery times Strategically located footprint catered to middle mile and last mile fulfillment for store network
<p>2 Ability to Strengthen Member Relationships</p>	<ul style="list-style-type: none"> Superior instillation capabilities offers opportunity to develop stronger customer relationships and brand equity Can further leverage in-home instillation assignments to cross-sell additional Sears related products (e.g. protection agreements, Shop Your Way Credit Cards and Home Services offerings)
<p>3 Attainable 3rd Party Revenue Opportunity</p>	<ul style="list-style-type: none"> Revenue externalization process has launched with success, quickly entering into new contracts with blue-chip clients Substantial capacity, especially with a right-sized store footprint, will allow for quick integration of 3rd party customers Highly-trained network of instillation and delivery professionals offers opportunity to expand into adjacent instillation services for 3rd party clients By 2021, total volume is expected to increase by ~80% from 2.9mm in 2018 to 5.3mm with increasing diversification away from Sears; decreased Sears exposure by ~55 percentage points from 2018 to 2021
<p>4 Achievable Opportunities To Cut Substantial Costs</p>	<ul style="list-style-type: none"> Current capacity, given reduced Sears store footprint, provides opportunity to ramp up 3rd party business with virtually no additional infrastructure investment High degree of operating leverage is conducive to margin enhancing growth Management has identified several initiatives, such as IT investment, that will improve labor productivity and enhance long-term cost structure
<p>5 Strong Operational Expertise and Scalable Infrastructure</p>	<ul style="list-style-type: none"> Strong, experienced management team with industry-leading knowledge and experience in logistics and supply-chain Management has demonstrated an ability to invest in new MDO's in key geographies in a capital efficient manner

Shop Your Way

The ShopYourWay Framework For Success

SYW is built around a triumvirate framework focused on (i) Essentials (ii) Gift Giving and Celebration, and (iii) Considered Purchases



Machine learning capabilities embedded in the SYW architecture will allow the Company to deliver an unrivaled consumer experience

Shop Your Way

SYW Targeted Offer Capabilities

Target Member Offers

- Through the use of Targeted Offers through various members-facing channels such as email, text, and app experiences, SYW has the ability to cater individual member level offers at a broad level such as format (Sears & Kmart) or the ability to target directly to an individual item level (a specific model of refrigerator)
- This allows for the ability to drive a behavior/purchase at a member level and not allow for the remaining population of shoppers to be given a discount/points that does not drive an incremental trip or spend thus creating a higher ROI

Targeted Offer



- Targeted based on propensity and members value able to scale up and down to control investment

Mass Offer

Friday and Saturday Only



- Offer available to all regardless of intent - higher incremental need to breakeven

vs.

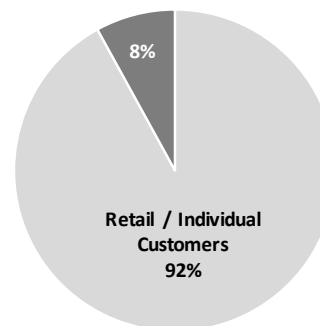
Sears Auto Center Business Summary

Business Highlights

- One of the largest, scaled providers of automotive aftermarket services, with a nationwide footprint of 231 locations across 38 states and Puerto Rico
 - Stores are ~17,700 square feet on average with ~17 service bays
- Service offerings include tire replacement, rapid wheel alignment, precision brake service, battery replacement, comprehensive oil / fluid change and diagnostic & mechanical services
- Attractive, diverse customer base of individual consumers and commercial / corporate accounts
- Employs one of the most tenured labor networks in the industry, with 2,163 trained and accredited technicians across store base
- Executing multi-faceted strategy across operations, merchandise, marketing, real estate, customer base and sourcing to grow revenue and improve profitability
- FY2017A Sales (All Locations): \$333mm
- FY2017A 4-Wall EBITDAR (All Locations): \$26mm

Customer Segmentation

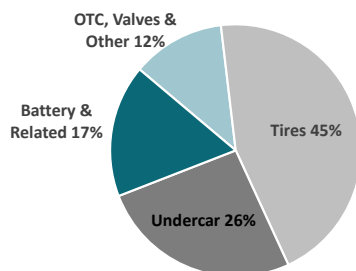
Commercial Customers → Key Customers



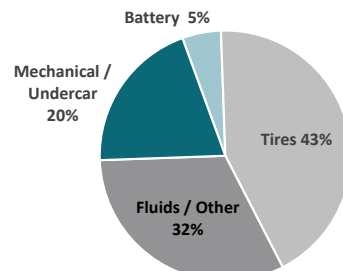
FY2017A Revenue Breakdown

Merchandise

Service



71% of Total Sales



29% of Total Sales

Key Brands Distributed

Tires

Battery & Related

DieHard®

DieHard®



Undercar Parts



Sears Auto Center Investment Highlights

sears
AUTO CENTER

1

Unique Industry Player With National Footprint

- Large, national player with strong brand equity competing against mostly regional and local businesses
- Beneficiary of traffic to Sears FLS, giving the segment enhanced customer visibility
- Ability to leverage Sears' national supply chain contributes to enhanced lead times and customer service
- Base of 2,163 trained and accredited technicians provides unique opportunity to take advantage of excess capacity

2

Diverse Product Offering

- Mix of service and merchandise product offering allows Sears Auto Center to be a one-stop-shop for automotive needs, leading to recurring revenue and high customer satisfaction
- Proven ability to cross-sell merchandise to customers seeking mechanical service (and vice-versa)
- Strong relationships with blue-chip vendors provides for attractive merchandise offering

3

Leasing Opportunity

- Only national retailer that offers leasing as a payment option for automotive products and services
- Ability to attract sub-prime customers with limited financing options, while maintaining no balance sheet risk due to strong financing relationships
- High margin opportunity with the ability to lease out under-utilized bays for DIY'ers
- Opportunity to create lease-based standalone Auto Centers in key markets

4

Ride-Sharing Platform Exposure

- Recently entered into partnerships with Uber and Lyft
 - Partnership is predicated on the creation of service stations for both ride-sharing platforms within Sears Auto Centers, where drivers can have their cars certified and purchase regular maintenance
- 5 Uber hub locations, generating 200-300 certifications per week each, as well as 10 Lyft locations, with expansion plans

5

External Channel Growth Opportunity

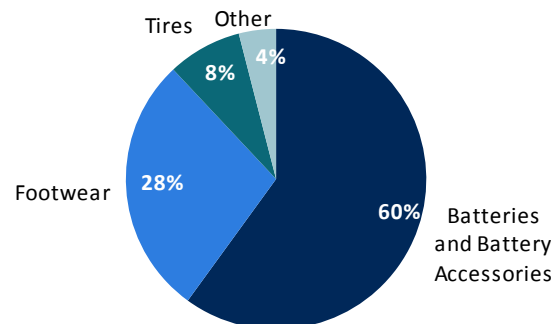
- Opportunity to leverage strong team of experienced associates to take advantage of tire instillation market
 - Online tire sales have grown over past few years, with vendors not having the appropriate network to complete instillation
- Recently rolled out partnership with Amazon, selling DieHard tires through the platform and installing at Sears Auto Center
 - Opportunity to expand through additional online mediums and install non-DieHard tires at store locations

DieHard Business Summary

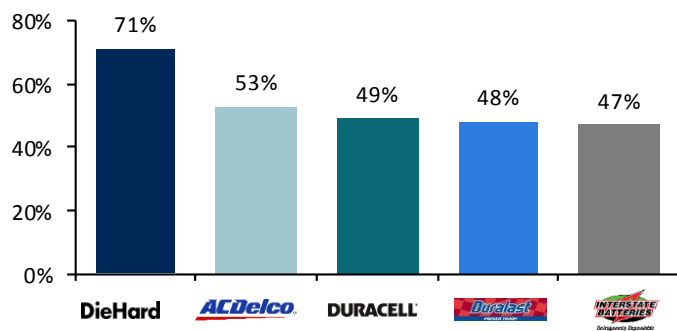
Business Overview

- Leading provider of power solutions since 1967
- Current U.S. sales share of 4% for vehicle batteries
- Products sold primarily through Sears channels, with select external retail distribution
- All products are manufactured by leading contract manufacturers, required to comply with DieHard high quality standards
- Well-balanced portfolio of vehicle batteries, with well-developed strategies for new product introductions in adjacent and peripheral industries
 - Adjacent (Power): Connected Lighting Solutions, Solar Power Solutions
 - Peripheral (Lifestyle): Rugged Wear, Extreme Wear

Revenue by Segment



Brand Awareness



Select Products

Vehicle Batteries

- Offered for Auto, Marine & RV, PowerSport and Lawn & Tractor

Vehicle Battery Back Up

- Various applications range from jumping a car battery to powering laptop within a car

Portable Power and Lights

- Categories include tool batteries, alkaline batteries, flashlights and LED lights

Work Boots

- High-performance boots, offered in both slip-ons and lace-ups

Tires

- Mid-Tier Passenger car tires manufactured by Kumho sold in SAC

Consumer Electronics

- Categories include Powerbanks, Chargers, Charging station, Phone cases and headsets

Monark Business Summary

Business Unit Overview

- Monark Premium Appliance Company and its affiliates form a nationwide distributor of premium home appliances that serve architects, builders, designers, developers and homeowners
- Monark represents a partnership between three leading distributors: Florida Builder Appliances, Westar Kitchen & Bath and Standards of Excellence
- Showrooms provide customers with premium cooking, cooling and cleaning appliances
- Monark operates within the larger Hardlines business Established June, 2015

Store Locations

20 showrooms across Arizona, California, Florida and Nevada



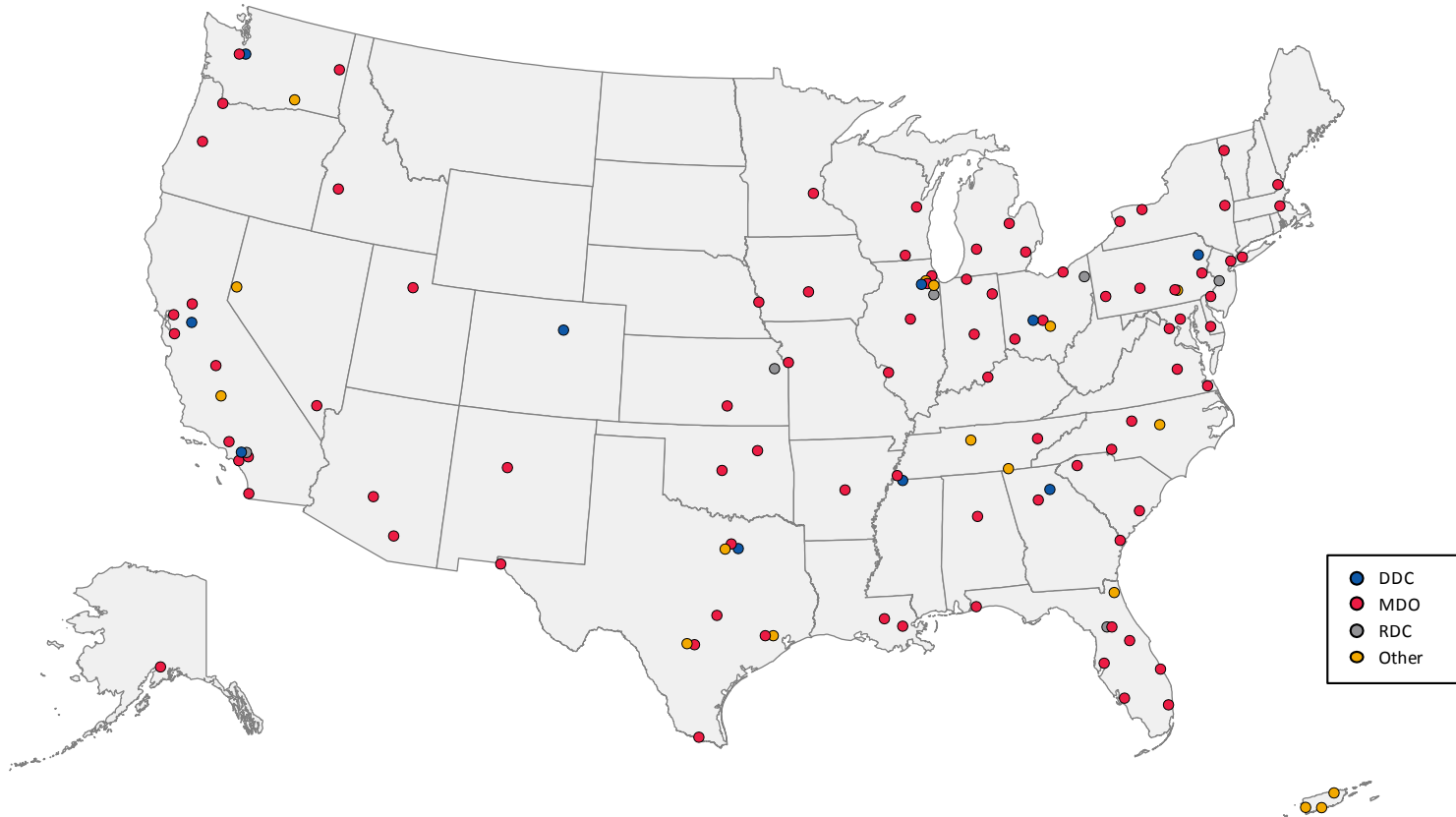
Select Brands



Real Estate Breakdown

<i>(\$ in 000's)</i>	<u>Property Count</u>	<u>Total Square Feet</u>	<u>Appraised Lit Value</u>	<u>Appraised Dark Value</u>
<u>Owned</u>				
Sears	78	12,626,759	\$781,780	\$524,625
Kmart	12	1,298,102	135,452	98,400
Total Owned	90	13,924,861	\$917,232	\$623,025
<u>Ground Lease</u>				
Sears	51	8,450,184	\$562,850	\$218,400
Kmart	14	2,071,316	39,790	14,000
Total Ground Lease	65	10,521,500	\$602,640	\$232,400
<u>Leased</u>				
Sears	94	12,766,836	\$310,032	N/A
Kmart	176	16,315,242	155,781	N/A
Total Leased	270	29,082,078	\$465,813	N/A
All Properties	425	53,528,439	\$1,985,685	\$855,425

Sears Supply Chain Breakdown



Sears has 120 supply chain assets (DDCs, MDOs, and RDCs) strategically located in all major areas of operations

Small Store Footprint

Investment Highlights

New Sears intends to increase investment in the smaller footprint strategy as it reduces its large box footprint

Store Overview

- The Company has recently been testing the concept of opening smaller footprint digital stores, marketed as “Sears Appliances” to leverage and highlight their most popular and profitable categories
 - Small footprint stores range from 7,000 – 20,000 sq. feet, while typical Sears locations average ~138,000 sq. feet
 - Allows the company to substantially reduce rent expense and personnel costs
 - On-demand inventory helps the Company improve its cash conversion at the retail level
 - Locations have successfully opened in Texas, Colorado, Hawaii and Pennsylvania
 - Most orders are placed on demand and can be shipped to customers or store locations
 - Stores specialize in selling appliances, but also offer the ability for consumers to order all Sears products in-store
- Locations offer interactive displays and trained experts to assist customers with their appliance & non-appliance needs

Small Store Footprint

Expansion of Small Footprint

Business Overview

- Store size: 7,000 to 20,000 sq/ft (leased)
- Local personalized shopping experience benefiting the community through the Sears and ShopYourWay ecosystem
- Products & services tailored to the community:
 - Home Appliances
 - Home Services (Repair, Parts, Home Improvement)
 - Connected Solutions (IoT products)
 - Financing options for every member
 - ShopYourWay 5-3-2-1 card
 - Leasing
 - Layaway
 - Shop Your Way Products and Services
 - Mattresses (when over 10k ft²)
 - Other community relevant products when space permits and based on local demographics and needs (seasonal product, tools, fitness, etc.)
- Highly trained consultative experts that focus on helping customers with
- Large purchases and home solutions
- In-home support and consultation
- Unlimited service opportunities and solutions; Service Live

Financial Summary (2018E)

(4 Operating Stores), Proof of concept

(\$000s)	2018F
Sales	\$23,882
Gross Margin	7,435
<i>GM%</i>	<i>31%</i>
Operating Expenses	5,557
EBITDA	1,878
<i>EBITDA %</i>	<i>8%</i>
EBITDAR	3,065
<i>EBITDAR %</i>	<i>13%</i>
IRR	36%
Payback	3.75 yrs

Description	Store Economics
Gross SF	7,000 to 20,000
Selling SF	6,750 to 18,000
Annualized Sales	\$4m - \$8m
<i>Sales per/GSF</i>	\$400 - \$500
EBITDA \$	\$0.4m - \$1.0m
<i>EBITDA %</i>	<i>~8%</i>
EBITDAR \$	\$0.6m - \$1.4m
<i>EBITDAR %</i>	<i>~13%</i>
Capital Investment	\$1.4m - \$1.8m
IRR	30%-60%
Payback	3 - 4 yrs

sears



Exhibit 13



sears

SHOP
YOUR
WAY



CRAFTSMAN

DieHard



Subject to Material Change

Wind Down Recoveries

January 14th 2019

SEARS HOLDINGS

Wind Down Executive Summary

- **With assistance from its professionals, the Company has prepared wind-down recoveries showing a twelve-month orderly liquidation commencing 1/14/19**
 - The preliminary wind-down budget assumes that all assets are orderly liquidated in-place, including general merchandise inventory and real estate. Self-supporting business units are assumed to be sold as going concerns pursuant to section 363 of the bankruptcy code
 - The analysis is on a consolidated basis for the Company
 - At 1/14/19, we assume the Company will:
 - Commence liquidation of all remaining inventory in the stores and distribution centers (with final GOB sales beginning on 1/21/19)
 - Reject all remaining store and DC leases, other than valuable leases, which will be monetized
 - Reject all remaining non-essential contracts
 - Reduce management and staff to the minimum necessary to liquidate the collateral and perform transition services
 - Sell or monetize all remaining encumbered and unencumbered assets on a non-going concern basis
 - Substantial funding for the wind-down is provided by:
 - The gross proceeds from GOB sales of merchandise inventory. As this inventory is sold, expenses related to the inventory liquidation are deducted from proceeds, resulting in an assumed net orderly liquidation inventory value to the estate of ~90%
 - The first \$240mm of previously unencumbered asset sale proceeds realized (which are segregated into a separate account), after which previously unencumbered asset sale proceeds are used to repay the \$350mm Junior DIP in full; after the Junior DIP has been repaid in full, additional asset proceeds are used to pay administrative expenses and unsecured creditors
 - The imposition of a 4% charge on encumbered assets sold throughout the case pursuant to 506(c) of the Bankruptcy code, with the exception of the first lien and prepetition ABL collateral (including non-insider portions of the FILO and Citi L/C), and Junior DIP collateral, due to the 506(c) waivers granted to these lenders solely in their capacity as DIP lenders
 - Excess proceeds (proceeds above lien value) from sales of encumbered collateral
- **Prior to 1/14/19, the Company is assumed to operate in the ordinary course while transitioning from a 505 to 425 store footprint**

Key Assumptions in Wind Down Recoveries

▪ Operating Receipts

- Cash receipts are assumed to be generated through the following channels during the wind-down period:
 - Sales of merchandise in the normal course in the weeks leading up to the GOBs
 - Continued service revenues (direct-to-consumer repair services, B2B repair, warranty commissions)
 - Continued non-operating receipts (pass-through and non-pass-through) such as Citi credit card accrued interest sharing, insurance proceeds, dividends from foreign subsidiaries and litigation recoveries
 - Asset sales including both encumbered and unencumbered collateral
- Same-store sales
 - Analysis assumes negative 15% same-store sales for all stores until the final GOB sales begins on 1/21/19
 - Stores are assumed to maintain a 29% gross margin throughout the projection period, excluding GOBs, which are assumed to run at a net negative margin resulting in an ~90% Net Orderly Liquidation Value
 - All sales shown net of taxes, including sales taxes, pass-through, and royalties
- The wind-down recoveries assumes 4 waves of GOBs
 - Wave 1: 142 Stores beginning 10/28/18 ending 1/6/19
 - Wave 2: 40 Stores beginning 11/18/18 ending 1/26/19
 - Wave 3: 80 Stores starting on 1/3/2019
 - Wave 4: 425 Stores starting on 1/21/2019
- Other Inflows
 - Minimal PA sales during GOB (\$200k per week)
 - Negative 15% YoY declines in Other Revenues, including Service Revenues

▪ Operating Disbursements

- COGS Disbursements
 - Merchandise vendors assumed to be primarily on cash-in-advance terms with 4-day average shipping time in the period leading up to the wind-down with some merch AP and non-merch AP based post-filing actuals;
 - Outstanding merchandise AP is paid down out during the case
 - Following the transition to the wind-down mode, no additional merchandise disbursements are made (last week of disbursements assumed to be the week ending 1/6/19) and merchant teams are immediately rationalized other than a small number of key employees to oversee vendor relations as the remaining on order inventory is shipped to the stores

Key Assumptions in Wind Down Recoveries (cont'd)

▪ Operating Disbursements (Continued)

– SG&A Disbursements

- Assumes all dark store leases are rejected immediately (Company rejected 234 leases on 10/16/18) and GOB leases are rejected at the end of the GOB sales period; as the last set of GOBs is projected to run from the week ending 1/26/19 to the week ending 4/13/19, lease payments would be made for March and rejected in April
- Immediate RIF of non-core; non-key personnel beginning 1/15/19 – 60 days of WARN following RIF announcement
- Uses the Company's detailed Payroll, Benefits, Non-Merch and Tax projection to project cost
 - Assumes logistics costs are right-sized to reflect lower score count
- GOB store payroll and other expenses are removed at the end of the GOB sales
 - GOBs expected to last 11 weeks in line with historical actuals
- Capex assumes historical levels of maintenance with reductions in line with store closures

▪ Other Disbursements

- Assumes \$10mm of utility deposits paid, and are subsequently forfeit during the wind-down
- Assumes no additional spend on critical vendor payments during the post-petition period
- Accrued professional fees estimated based on current carve out reserve amount
 - After case begins to wind down, professional fees drop to an eventual monthly run rate of ~\$5mm
 - Professional fees (full projected pipeline to 1/15/19 + general carve-out + success fees) accrued in the carveout reserve until the wind-down begins; fees then paid for by the liquidation of the first lien collateral after the ABL, non-insider FILO and non-insider Citi L/C have been fully amortized
- Assumes total severance of \$41mm through December 2019 (exclusive of WARN notice costs)

▪ Junior DIP

- Starting balance of \$175mm Junior DIP, which is pro forma to reflect \$75mm balance as of 1/5/19 plus \$100mm draw on 1/10/19
 - Junior DIP facility assumed to have a lien junior only to the First Lien DIP facility on prepetition unencumbered collateral other than specified collateral; on specified collateral, the Junior DIP liens are pari passu with the First Lien DIP facility after the first \$240mm of proceeds have gone to fund the earlier of a) the wind-down reserve or b) the wind-down of business operations
 - Interest Expense of L+1,000

Key Assumptions in Wind Down Recoveries (cont'd)

▪ Unencumbered Asset Values

- Credit Card Tort Claim: Assumes \$35mm
- Unencumbered Receivables: Assumes \$63mm, estimated using 25% recovery on \$251mm book value
- Sears Auto Centers (SAC): Assumed to be immediately liquidated simultaneously with the stores, with proceeds reflected in GOB recoveries – no going concern value
- Includes actual sale of SRAC MTNs for net proceeds of approximately \$81mm, which is included in the wind-down reserve
- Monark: No value assumed
- Net Operating Losses: No value assumed
- Initial estimates of the following assets used per consultation with Lazard
 - Sears Home Improvement: \$45mm
 - Sears Parts Direct: \$60mm
 - Sears Service Contracts: \$80mm
 - TSA modeled in place for all going concern assets such that any and all costs incurred by wind-down entity are assumed to be passed through directly to the purchaser

▪ Unencumbered Real Estate Values

- Recoveries assumes \$561mm net of transaction costs
- Values for unencumbered real estate updated to incorporate JLL appraisals received on 1/11/19
- Excludes values for indications of interest on unencumbered real estate received to date, which totals in excess of \$350mm

▪ Encumbered Asset Values

- Sparrow real estate excludes from analysis
- Dove real estate assumed to be sold at 70% of dark value and incur a 6% broker fee
- IPGL GL real estate assumed to be sold at 70% of dark value and incur a 6% broker fee
- IPGL IP collateral assumed to be sold for \$50mm, which represents ~15% of the low-end estimate of distressed fair market value of \$345mm as stated in the Ocean Tomo appraisal document dated 1/12/18

▪ Kenmore and Diehard

- Excluded from the analysis
- Excludes asserted KCD Royalty administrative claim of \$112mm

▪ Excludes any recoveries for avoidance actions and any potentially asserted claims against ESL

▪ Excludes any potential going concern value under one or more plans of reorganization including potential reorganization plans involving Sears Home Services, Innovent, and other business units, as well as attendant tax attributes distributed to creditors

Certain assumptions in this document may be subject to material change, including:

- **Go-forward financial performance of the store base**
- **Go-forward financial performance of the non-store businesses**
- **Feasibility and timing of SG&A reductions**

- **Assets**
 - Certain island stores and the Guam stores may be sold as going concern stores which would change recoveries on those assets
 - Carry costs and timing of real estate liquidations
 - The analysis does not include real estate related expenses past the end of GOB periods for potential additional time and carrying costs that may be required to sell real estate assets
 - This document excludes all avoidance action recoveries and any recoveries for litigation related to prepetition transactions
 - Assumes no proceeds from collateral charges are paid to the estate from the Sparrow collateral

- **Claims**
 - 503(b)(9) and GUC claims as of the petition date are estimated by SHC; subject to change based on further inventory receipt reconciliation
 - The initial estimate of the size of the general unsecured claim pool may change materially
 - WARN, severance, and PTOs costs associated with RIFs occurring past 11/15/18 are based on average salary and benefits of employees, and will change as employees subject to future RIFs are finalized

- **PBGC Claim**
 - This analysis does not reflect any view or estimate regarding a) the size of the PBGC claim, b) the priority of the PBGC claim, or c) any proceeds associated with the liquidation or transfer of securities held by the PBGC
 - The PBGC is likely to have a significant unsecured claim, which is excluded from this analysis
 - The Company is still performing diligence on the plan termination claim

Creditor Recovery Matrix

Wind-down / Orderly Liquidation (Debt and Other Starting Balances As of 1/5/2019)

Creditor Recovery Matrix

(\$ in millions)		Remaining Assets								
Creditors	Gross Claim ¹ as of 1/5/19	1st Lien Collateral	Jr. DIP Collateral (Previously Unencumbered)	Sparrow R.E	Dove R.E	IP/GL Collateral	Wind-down Reserve	Carve-Out	\$ Recovery	% Recovery
Admin and Other Priority Claims	\$1,405	(\$551)	(\$500)	—	(\$19)	(\$7)	(\$240)	(\$89)	\$1,405	100%
DIP ABL ⁽²⁾	894	(894)	—	—	—	—	—	—	894	100%
Junior DIP ⁽³⁾	175	—	(175)	—	—	—	—	—	175	100%
FILO (1.5)	125	(125)	—	—	—	—	—	—	125	100%
Citi LC Facility (1.75)	271	(271)	—	—	—	—	—	—	271	100%
Adequate Protection - 507(b) ^(4a)	331	(136) ^(4b)	—	—	—	—	—	—	136	41%
2nd Lien Line of Credit Loans	570	—	—	—	—	—	—	—	—	—
ESL 2nd Lien Term Loan (PIK)	320	—	—	—	—	—	—	—	—	—
2nd Lien Notes (PIK)	175	—	—	—	—	—	—	—	—	—
2nd Lien Notes (2.5; Cash)	89	—	—	—	—	—	—	—	—	—
Dove Loans	831	—	—	—	(429)	—	—	—	429	52%
Sparrow Loans ⁽⁵⁾	NA	—	—	—	—	—	—	—	NA	NA
GL / IP Loan	231	—	—	—	—	(159)	—	—	159	69%
Total Secured Debt / Claims	\$5,417	(\$1,976)	(\$675)	—	(\$448)	(\$166)	(\$240)	(\$89)	\$3,594	66%
Unsecured and Deficiency Claims ⁽⁶⁾	5,864	—	—	—	—	—	—	—	—	—
Total Unsecured Debt / Claims	\$5,864	—	—	—	—	—	—	—	—	—

Notes:

(1) Gross claim does not mean such claim is allowed, unless allowed pursuant to a bankruptcy court order or otherwise

(2) Pro forma balance as of 1/5/19. Company has requested \$100mm Jr. DIP draw for week ending 1/12/19 which would reduce the pro forma ABL balance to \$894mm.

(3) Pro forma balance as of 1/5/19. Company has requested \$100mm Jr. DIP draw for week ending 1/12/19 which will increase the Jr. DIP balance to \$175mm.

(4a) Includes \$331mm of claims under section 507(b) of the Bankruptcy Code for diminution in the value of second-lien collateral are shown based on advice from Weil. The ultimate value of these claims could vary materially given a number of factors including the use going concern or liquidation values, inclusion or exclusion of certain administrative costs such as professional fees that benefit from the Carve-Out and charges and the ultimate validity of the second-lien liens and claims. In addition, the validity and amount of such diminution claims is expected to be a disputed among the parties, including the debtors.

(4b) Recovery takes into account disputed nature of claim

(5) Sparrow entities are non-debtors and excluded from analysis.

(6) Draft estimate of gross liability per Deloitte of \$3.4bn, plus ~\$1bn of PA Liability, plus deficiency claims of ~\$1.8bn.

Exhibit 14

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EX 4

SEARS HOLDINGS

OFFICIAL COMMITTEE OF UNSECURED CREDITORS - DISCUSSION MATERIALS

November 12, 2018

Disclaimer

- The information herein has been prepared by the Sears Holdings Corporation (the “Company”) and its advisors based upon information supplied by the Company or publicly available information, and portions of the information herein may be based upon certain statements, estimates and forecasts provided by the Company with respect to the anticipated future performance of the Company. The advisors have relied upon the accuracy and completeness of the foregoing information, and have not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of the Company, or any other entity, or concerning solvency or fair value of the Company or any other entity. With respect to financial forecasts, the advisors have assumed that they have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of management of the Company as to the future financial performance of the Company. The advisors assume no responsibility for and express no view as to such forecasts or the assumptions on which they are based. The information set forth herein is based upon economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, unless indicated otherwise.
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- This presentation may contain certain statements that may be deemed “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. All statements that address activities, events or developments that we intend, expect, plan, project, believe or anticipate will or may occur in the future are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Meeting Agenda

1. Introduction
2. Preliminary Go-Forward Business Plan
3. Liquidity Update and Illustrative Store Footprint Scenarios
4. Break
5. Tax Update
6. DIP Financing Overview
7. KERP / KEIP Overview
8. Chapter 11 Timeline

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Preliminary Go-Forward Business Plan

Executive Summary

- Senior management with the assistance of M-III has produced the following go forward business plan for the Company that achieves profitability in 2019 through revenue growth initiatives and significant cost cutting
 - With negative same-store sales comps that turn positive in Q2 averaging 0.6% in 2019 and 100bps of margin rate increase with a 505 store footprint, the Company is projected to have \$94mm of EBITDA in 2019, which continues to grow in 2020 and 2021
- From a variety of perspectives, including real estate value, profitability, and acquiror interest, management believes that maintaining 505 stores is a reasonable store base from which the Company can grow and achieve meaningful profitability
 - SHC realizes significant income from the Citi credit card agreement shown in financial services, cash discounts from vendors not included at the store level, and points income shown within the Shop Your Way business unit. When stores are closed, these income streams shown outside the stores decrease significantly
 - With continued B2B growth and a new Protection Agreement solution to sell in retail, Sears Home Services is projected to achieve \$235mm of EBITDA in 2019 on \$1.7bn of revenue
- Based upon pre-petition same-store sales comps trajectory, historical store performance, and the opportunity to capitalize on underinvested stores, the Company has substantial growth opportunities ahead
- Additionally, the Company has identified a plan to reduce home office and supply chain overhead expenses from ~\$1.2bn today to a less than \$600mm annual run-rate
 - We are projecting the home office and supply chain overhead expense to be ~\$650mm in 2019 due to the pacing of the transformation
 - The first round of cuts is schedule to begin on November 15 with an estimated savings of \$100mm in payroll annually

Executive Summary (*cont'd*)

- Management is focused on several key areas for potential growth
 - Continued online growth through executing on basic metrics improvement, substantial initiatives, and operational excellence
 - Opening additional small footprint locations (upside opportunity as not included in base plan)
 - Further expansion into mobiles apps, which have a 2x conversion rate over the mobile web
 - Growing the already existing 28mm 12-month active member base through new member acquisition and enhanced retention strategies
- While the initial results of the plan are promising, there is still significant work ahead to be completed
 - The Company will be spending significant time investigating the brand proposition of Sears and Kmart along with formulating a go-forward plan
 - Management is prioritizing the best growth initiatives to pursue and forecasting the required capital expenditures needed including store rejuvenation
 - The first round of cuts has been identified and scheduled but the next rounds will be long and tough

Why Sears can make it

- Sears is 3rd largest appliance retailer in the US with 15.3% market share
 - Lowes has 25.8% share; Home Depot has 17.1%; Best Buy has 13.7%
- Sears is the number one home service and direct delivery provider
 - Amazon and others are leveraging Sears' capabilities, which adds value to Innovel and Home Services; this is a unique strength that Sears has over other market competitors with high barriers to entry
- Sears has a physical presence and some unique locations to back up the showroom concept that is important on big ticket, considered purchases, which combined with our online, service, and delivery capabilities make for a powerful combination
 - Sears' current value proposition with increased focus and investment should command higher market share
- We have the ability to expand our reach in the Hardline categories through scaling the small format concept and further leveraging our overhead and unique capabilities
- Along with the Hardlines opportunity, Sears also has a strong and growing Softlines business which can complement its Hardlines opportunities, again making Sears unique in the market
- Robust digital platform with 145mm total registered users including 61mm contactable members and 28mm 12-month active users. Of the active users, 13.5mm have redeemed points in the last 12 months
- Expansive Financial Services platform with profitable Citi credit card agreement and multiple avenues for continued growth under the agreement

To capture this opportunity, we will need to address our physical presence through store upgrades and a consumer confidence campaign, but the reason Sears can make it is that it still has a unique product and service offering that will make it relevant for years to come

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Our business plan is powered by a robust, store-level financial model

2019 Plan Assumptions by Business Unit

	Methodology	Assumptions
Retail (Brick & Mortar, Sears Auto Center, Online & ShopYourWay)	<ul style="list-style-type: none"> <u>Brick and Mortar</u>: By store revenue and EBITDA build for Brick and Mortar retail <u>Online</u>: Based on historical financials <u>Sears Auto Center</u>: Based on historical financials <u>ShopYourWay</u>: Based on percentage of sales realized historically 	<ul style="list-style-type: none"> Footprint reduced to 505 total stores (266 Sears & and 239 Kmart) Forecast driven off LTM actual performance through September 2018 Same store comps: <ul style="list-style-type: none"> 2019 FY: 1% decrease in Feb 2019 ramping to a 2% increase in Jan 2020 2020 FY +3% 2021 FY +4% 2019-21 FY store level gross margin +100 bps Fixed operating expenses held flat in 2019; grown at 2% thereafter <u>Online</u>: 2019-2021 revenue growth of 5% per annum <u>Sears Auto Centers</u>: 2018 FY YTD actuals + budget reduced based on number of FLS stores closed; 3% same store comps thereafter (2020-21) <u>ShopYourWay</u>: ~1.9% of total online and retail sales (based on LTM actuals)
Home Services	<ul style="list-style-type: none"> Underlying business segments forecasted based on key drivers; based on management team's detailed financial model 	<ul style="list-style-type: none"> Based on 2019 FY management forecast of business Assumes SHIP sold to stalking horse buyer and is excluded from forecast Assumes Protection Agreement business continues to originate policies through third party (Assurant)
Other Businesses	<ul style="list-style-type: none"> Financial Services based on percentage of sales realized historically 	<ul style="list-style-type: none"> <u>Financial Services</u>: ~1.7% of total FLS retail sales (based on LTM actuals) <u>Kenmore / DieHard</u>: Based on management projections per sale process <u>Monark</u>: 2018 YTD actuals with budget held constant in 2019
Overhead, SG&A and Supply Chain & Logistics	<ul style="list-style-type: none"> Management forecast based on result of three-week long review of costs at each business unit by Office of the CEO and M-III 	<ul style="list-style-type: none"> <u>Home Office SG&A</u>: Reduced from ~\$860mm current run-rate to ~\$350mm on a going concern run-rate basis <u>Supply Chain & Logistics</u>: 9 conveyable distribution centers reduced to 5; assumes Innovel platform sold or reduced

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With modest positive same-store comps, SHC can return to profitability in 2019

Consolidated Historical Financials and 2019-2021E Forecast

(\$ in millions)

	2015A	2016A	2017A	2018A YTD ⁽¹⁾	2019E	2020E	2021E
Revenue	\$25,140	\$21,893	\$16,673	\$8,913	\$8,709	\$8,858	\$9,169
(-) COGS	(16,886)	(14,585)	(10,824)	(5,713)	(5,481)	(5,669)	(5,909)
Gross Margin	\$8,254	\$7,308	\$5,848	\$3,201	\$3,228	\$3,189	\$3,259
Margin (%)	33%	33%	35%	36%	37%	36%	36%
(-) Operating Expenses	(7,066)	(6,375)	(5,055)	(2,919)	(2,573)	(2,526)	(2,546)
(-) Supply Chain & Logistics	(483)	(389)	(326)	(219)	(197)	(202)	(208)
(-) Home Office SG&A	(1,573)	(1,378)	(1,071)	(666)	(365)	(296)	(302)
(+) SHC Level PA EBITDA Adjustment ⁽²⁾	33	36	46	30	—	—	—
EBITDA	(\$836)	(\$798)	(\$557)	(\$573)	\$94	\$165	\$204
Margin (%)	(3%)	(4%)	(3%)	(6%)	1%	2%	2%

2019E EBITDA Sensitivity to Retail SSS Growth / (Decrease) and Margin Expansion / (Compression)

		Same Store Sales Growth / (Decrease)										
		(10.0%)	(8.0%)	(6.0%)	(4.0%)	(2.0%)	0.6%	2.0%	4.0%	6.0%	8.0%	10.0%
Margin Expansion (bps)	(50)	(\$147)	(\$116)	(\$85)	(\$55)	(\$24)	\$17	\$39	\$70	\$100	\$131	\$162
	—	(124)	(93)	(61)	(30)	1	43	65	96	127	159	190
	50	(101)	(69)	(38)	(6)	26	68	91	122	154	186	218
	100	(78)	(46)	(14)	19	51	94	116	149	181	214	246
	150	(56)	(23)	10	43	76	119	142	175	208	241	274
	200	(33)	1	34	68	101	145	168	202	235	269	302
	250	(10)	24	58	92	126	170	194	228	262	296	330

(1) YTD 9-month actuals through October 2018.

(2) SHC level EBITDA adjustment related to the protection agreement business.

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Retail, Home Services, and Financial Services drive profitability

Business Unit Historical Financials and 2019E Forecast

(\$ in millions)

	2015A	2016A	2017A	2018A YTD ⁽¹⁾	2019E	2020E	2021E
Retail (4-Wall + Online + SYW)							
Revenue	\$21,381	\$18,492	\$13,531	\$6,144	\$6,578	\$6,794	\$7,072
Gross Margin	\$6,541	\$5,476	\$4,119	\$1,737	\$1,891	\$1,949	\$2,026
EBITDA	\$959	\$628	\$531	\$99	\$409	\$439	\$487
Home Services ⁽²⁾							
Revenue	\$2,139	\$2,159	\$1,953	\$1,220	\$1,690	\$1,610	\$1,629
Gross Margin	\$1,582	\$1,592	\$1,433	\$868	\$1,222	\$1,122	\$1,112
EBITDA	\$195	\$266	\$222	\$90	\$235	\$210	\$211
Financial Services							
Revenue	\$66	\$68	\$74	\$67	\$49	\$51	\$53
EBITDA	\$55	\$59	\$68	\$65	\$44	\$46	\$48
Other Businesses							
Kenmore / Craftsman / DieHard EBITDA	\$11	\$11	(\$2)	(\$4)	(\$7)	(\$7)	(\$7)
Monark EBITDA	\$7	\$3	\$3	(\$1)	(\$3)	(\$2)	(\$1)
Overhead and Adjustments							
Supply Chain and Innoval	(\$483)	(\$389)	(\$326)	(\$194)	(\$197)	(\$202)	(\$208)
PA Corporate Level EBITDA Adjustment ⁽³⁾	33	36	46	30	—	—	—
Member Services Organization ⁽⁴⁾	(\$68)	(\$57)	(\$41)	(\$22)	(\$23)	(\$24)	(\$24)
Home Office / Corporate SG&A	(\$1,573)	(\$1,378)	(\$1,071)	(\$601)	(\$365)	(\$296)	(\$302)
Total SHC EBITDA	(\$836)	(\$798)	(\$557)	(\$539)	\$94	\$165	\$204
Retail EBITDA Detail							
505 Store Go-Forward 4-Wall EBITDA	\$406	\$223	\$185	\$58	\$184	\$204	\$240
All Other 4-Wall EBITDA+ Online	13	(205)	(135)	(187)	(1)	1	2
Vendor Discounts & Other Adjustments	239	304	238	95	94	97	101
Sears Auto Center EBITDA	152	117	83	37	41	44	47
ShopYourWay EBITDA	149	190	160	97	91	93	97
Total Retail EBITDA	\$959	\$628	\$531	\$99	\$409	\$439	\$487

(1) YTD 9-month actuals through October 2018.

(2) Excludes SHIP in forecast.

(3) SHC level EBITDA adjustment related to the protection agreement business.

(4) Call center support allocated at corporate level.

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We have assumed negative same-store comps turn positive in the 2nd quarter

2019E Monthly Budget by Business Unit

(\$ in millions)

	2019E Monthly Budget												2019E	2020E	2021E
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Total	Total	Total
Retail (4-Wall + Online + SYW)															
Same Store Sales (% Change)	(1.0%)	(1.0%)	(1.0%)	—	—	—	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	0.6%	3.0%	4.0%
Revenue	\$447	\$525	\$463	\$538	\$613	\$461	\$492	\$536	\$468	\$680	\$850	\$506	\$6,578	\$6,794	\$7,072
Gross Margin	119	155	140	159	180	136	123	141	139	195	271	132	1,891	1,949	2,026
EBITDA	5	27	30	43	48	23	7	9	25	64	126	3	409	439	487
Home Services															
Revenue	\$131	\$163	\$130	\$129	\$163	\$135	\$132	\$163	\$125	\$129	\$159	\$131	\$1,690	\$1,610	\$1,629
Gross Margin	95	119	94	94	118	96	94	118	90	94	116	96	1,222	1,122	1,112
EBITDA	19	22	18	19	22	18	19	23	17	18	22	19	235	210	211
Financial Services															
Revenue	\$3	\$3	\$2	\$3	\$7	\$5	\$5	\$5	\$5	\$3	\$4	\$5	\$49	\$51	\$53
EBITDA	3	3	2	2	6	5	4	4	5	2	3	5	44	46	48
Other Businesses															
Kenmore / Craftsman / DieHard EBITDA	(\$1)	(\$1)	(\$0)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$0)	(\$7)	(\$7)	(\$7)
Monark EBITDA	(1)	0	(1)	(1)	(0)	0	0	1	(1)	(0)	(0)	(0)	(3)	(2)	(1)
Overhead and Adjustments															
Supply Chain and Innovel	(\$15)	(\$16)	(\$15)	(\$15)	(\$18)	(\$15)	(\$15)	(\$16)	(\$15)	(\$19)	(\$23)	(\$16)	(\$197)	(\$202)	(\$208)
PA Corporate Level EBITDA Adjustment ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Member Services Organization ⁽²⁾	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(23)	(24)	(24)
Home Office / Corporate SG&A	(40)	(38)	(37)	(37)	(35)	(30)	(24)	(24)	(25)	(25)	(24)	(24)	(365)	(296)	(302)
Total SHC EBITDA	(\$31)	(\$6)	(\$5)	\$8	\$20	(\$1)	(\$11)	(\$7)	\$3	\$38	\$101	(\$15)	\$94	\$165	\$204
Retail EBITDA Detail															
Brick and Mortar 4-Wall EBITDA	(\$9)	\$4	\$16	\$26	\$26	\$8	(\$10)	(\$10)	\$13	\$43	\$92	(\$14)	\$184	\$204	\$240
Vendor Discounts & Other Adjustments	6	8	6	7	9	6	7	8	6	10	13	8	94	97	101
Sears Auto Center EBITDA	3	5	3	3	4	3	4	2	0	4	6	3	41	44	47
Online EBITDA	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	1	2
ShopYourWay EBITDA	5	10	5	6	9	6	7	8	6	7	15	6	91	93	97
Total Retail EBITDA	\$5	\$27	\$30	\$43	\$48	\$23	\$7	\$9	\$25	\$64	\$126	\$3	\$409	\$439	\$487

(1) SHC level EBITDA adjustment related to the protection agreement business.

(2) Call center support allocated at corporate level.

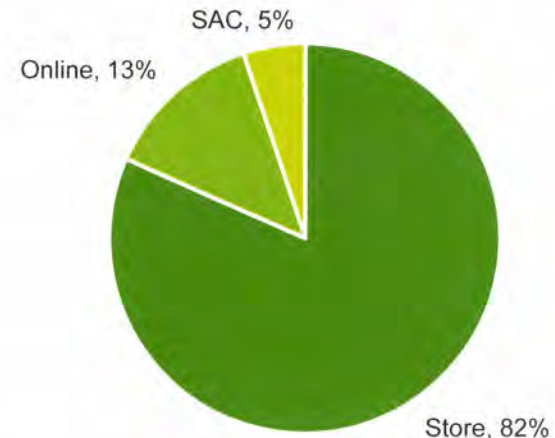
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A smaller but balanced Sears and Kmart footprint delivers \$409mm of 4-wall EBITDA in 2019

Business Overview

- Sears' Retail Business consists of its 266 Sears Stores, 239 Kmart Stores and their respective Online presences
- The business is broken into the primary categories below:
 - Hardlines – composed of Home Appliances (HA), Consumer Electronics, Tools, Lawn & Garden, Outdoor Living, Sporting Goods, Mattresses, and Monark businesses
 - Softlines – composed of Apparel, Footwear, Home, and Jewelry businesses; these businesses sell an assortment of proprietary brands as well as third-party retail options
 - Sears Auto Centers – a multi-channel automotive aftermarket service provider offering replacement tires, mechanical diagnostics and repair, vehicle maintenance products and services, batteries and battery-related accessories, as well as automotive accessories and chemicals for cars and light trucks
 - Grocery & Drugstore, Pharmacy, and Children's Entertainment & Seasonal – sells grocery, household and pet supplies, beauty care, OTC health & wellness, stationery, party supplies, children's entertainment products, seasonal merchandise, dispenses prescription drugs and performs clinical services

Revenue by Segment



FY 2019E Revenue: \$6.6bn Revenue

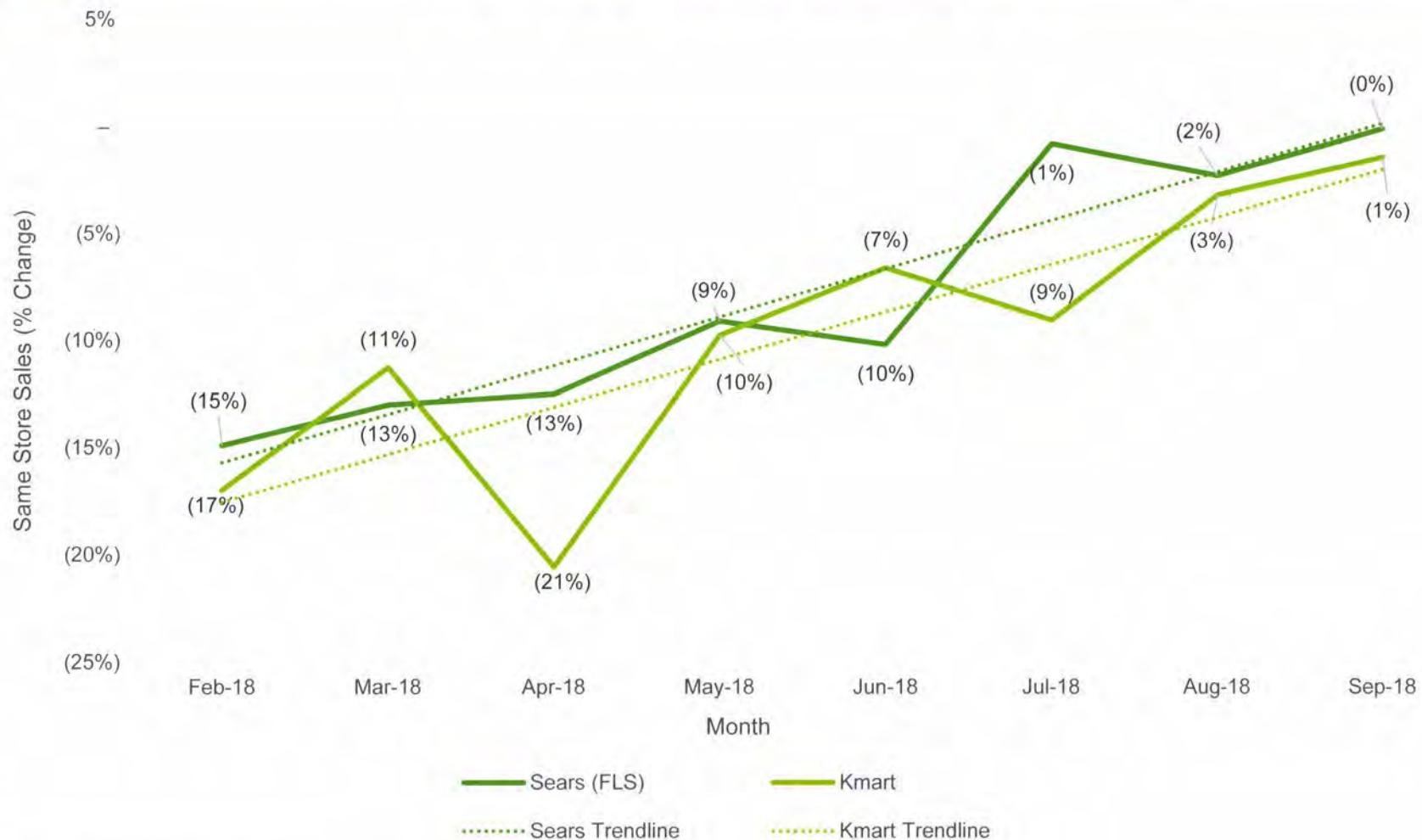
Preliminary 2019E Forecasted Financials

(\$ mm)	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	FY19
Retail													
Same Store Sales (% Change)	(1.0%)	(1.0%)	(1.0%)	–	–	–	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	0.6%
Brick and Mortar Revenue	\$330	\$426	\$341	\$412	\$502	\$363	\$381	\$436	\$363	\$547	\$741	\$405	\$5,247
Sears Auto Center Revenue	27	34	26	27	32	25	25	29	21	27	33	23	329
Online Revenue	85	54	89	92	69	66	79	62	78	98	60	72	905
ShopYourWay	5	11	6	7	9	7	7	9	6	7	16	7	97
Total Revenue	\$447	\$525	\$463	\$538	\$613	\$461	\$492	\$536	\$468	\$680	\$850	\$506	\$6,578
(-) COGS	(328)	(369)	(322)	(379)	(433)	(324)	(368)	(394)	(329)	(485)	(579)	(375)	(4,687)
Gross Margin	\$119	\$155	\$140	\$159	\$180	\$136	\$123	\$141	\$139	\$195	\$271	\$132	\$1,891
Margin (%)	27%	30%	30%	29%	29%	30%	25%	26%	30%	29%	32%	26%	29%
(-) Operating Expenses	(\$114)	(\$129)	(\$110)	(\$116)	(\$133)	(\$113)	(\$116)	(\$133)	(\$114)	(\$131)	(\$145)	(\$128)	(\$1,482)
Retail EBITDA	\$5	\$27	\$30	\$43	\$48	\$23	\$7	\$9	\$25	\$64	\$126	\$3	\$409
Margin (%)	1%	5%	7%	8%	8%	5%	2%	2%	5%	9%	15%	1%	6%

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Same-store sales comps were beginning to stabilize pre-petition

2018 YTD Same Store Sales Comps (% change)



Note: Same-store comps based on Company data.

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The 505 go-forward stores in the plan delivered over \$7bn of revenue and over \$400mm of EBITDA in 2015

Historical Revenue By Year



Historical Gross Margin By Year



Historical EBITDA By Year



Note: 505 go-forward Sears and Kmart store 4-wall financials only; excludes Sears Auto Center, Online and ShopYourWay.

Apparel has demonstrated a major turnaround over the last year

YTD Business Operating Profit Up \$60mm vs. Adjusted LY and 2017 up \$270mm Over Prior Year

- **Right Size of the Buy**
 - Discipline around Seasonal buy by Category and by store
 - Sales plan target communicated to Merchandising team ahead of the oversea buying trip
 - Simulation done by Finance on expected In-Season and Post-Season revenue and margin for each of the Divisions and total Business Units
 - \$64mm in lower markdowns vs. last year at the end of October
- **Assortment Rationalization and Brand Consolidation**
 - Number of SKUs has been reduced by 32% in FW18 vs. FW17 and by 61% vs 2016
 - Brand consolidation or expansion since we merged buying teams serving both Sears and Kmart in July 2017
 - Jaclyn Smith brand at Kmart rolled out to Sears
 - Key sellers rolled out into both formats (Basic Edition from Kmart into Sears)
- **Product Cost savings**
 - \$12mm FOB savings in 2018 on top of \$80mm in 2017 as a result of moving from Domestic to Import vendors
 - Receipts moved from 30% import to 60% vs. Domestic from 2016 to 2018
 - Built Cross-Sourcing capabilities, including vendor's direct design
- **Execution Excellence**
 - Implemented forecast by product and store by week since 2017
 - Put in place drilled-down reporting capabilities by key demographic, store, product, and day to identify exceptions and drive replenishment actions and inform allocation
 - Weekly Trading Meeting focused on immediate actions based on last week's results including members, store, pricing, inventory, and sourcing metrics
 - Implemented competitor data tool in order to identify assortment gap and pricing opportunities

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Part of Apparel's success is through stabilizing markdowns and points investment

Apparel Financial Performance

- Apparel delivered \$118mm in additional gross profit and \$58mm in business operating profit vs. last year due to markdown savings and better sourcing cost
- Margin rate of 39.4% is 630bps improved vs. last year
- Gross margin dollars with points flat vs. last year from additional SYW investments

(\$ in millions)	October YTD		
	2017	2018	Δ
Apparel			
Revenue	1,435	1,505	70
% Growth		4.9%	
Markdowns	414	350	(64)
% Markdowns	28.8%	23.2%	(5.6%)
Gross Profit	475	593	118
% Gross Profit	33.1%	39.4%	6.3%
SYW	(87)	(173)	(86)
% SYW	(6.0%)	(11.5%)	(5.4%)
Gross Margin Dollars	443	443	0
% Gross Margin Dollars	30.9%	29.5%	(1.4%)
Expenses	601	543	(58)
% Expenses	41.9%	36.1%	(5.8%)
Business Operating Profit	(158)	(100)	58
% Business Operating Profit	(11.0%)	(6.6%)	4.4%

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Management has significant growth initiatives to drive success in 2019

Retail Revenue and Profitability Initiatives

	Initiatives & Commentary	Revenue Impact	EBITDA Impact
Margin Rate	<ul style="list-style-type: none"> <u>In-Stock Improvements</u>: In-stock on top items, sizing, single item replenishment, demand driven model <u>Pricing to Fund Points</u>: Reduction in promotional and clearance markdowns <u>Vendor Management</u>: Improved allowance collections by leveraging points marketing & consolidation of vendors <u>Import Sourcing Strategy</u>: Softlines import volume improvement in first cost 	+\$[225]	+\$[100]
Sears Stores	<ul style="list-style-type: none"> <u>Hardlines Growth Initiatives</u>: Free delivery, marketing, leasing & mores of Kenmore <u>Softlines Growth Initiatives</u>: Product initiatives, excluding replenishment enhancements <u>Local Store Initiatives</u>: Local strategic merchandising, promo, pricing & payroll management <u>Lifestyles & Movers Member Journeys</u>: Member journey category projections for lifestyles and new home/movers 	+\$[500]	+\$[100]
Kmart Stores	<ul style="list-style-type: none"> <u>Softlines Growth Initiatives</u>: Product initiatives, excluding replenishment enhancements <u>Local Store Initiatives</u>: Local strategic merchandising, promo, pricing & payroll management via simple store <u>Toys & Other Hardlines Growth</u>: Product initiatives in Toys, Sporting Goods & Outdoor Living <u>Live Well/Get Fit Member Journeys</u>: Member journey category projections for live well/get fit <u>Own Brand Growth</u>: Grocery and drug shift to private label brands 	+\$[180]	+\$[50]
Online	<ul style="list-style-type: none"> <u>Exclusion of SYW Points on Free Ship</u>: Currently members are allowed to use their SYW points for their entire purchase which includes the \$35 dollar minimum threshold for free delivery <u>eBay Member Launch</u>: Have eBay offer a curated assortment on Sears; fill brand and assortment gaps which will drive incremental GMV <u>Product Recommendations</u>: Include store purchase data in recommendations online to improve recommendations for members that shop in-store and online <u>Single Page Checkout</u>: Customers often abandon cart / checkout due to a lengthy process; single Page Checkout will allow a customer to quickly checkout, increasing conversion <u>Basket Building</u>: Ability to message member when they are close to hitting a promo threshold to increase AOV and conversion 	+\$[100]	+\$[15]

Note: Initiatives are partially represented in the 2019 plan numbers, but not fully included.

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Large potential small footprint upside represents an opportunity to outperform the base 2019 plan as not included but will require capital investment

Business Overview

- Targeting 100 locations by the end of 2020
- Store size: 7,500 to 20,000 sq/ft (leased)
- Local personalized shopping experience benefiting the community through the Sears and ShopYourWay ecosystem
- Products & services tailored to the community:
 - Home Appliances
 - Home Services (Repair, Parts, Home Improvement)
 - Connected Solutions (IoT products)
 - Financing options for every member
 - ShopYourWay 5-3-2-1 card
 - Leasing
 - Layaway
 - Shop Your Way Products and Services
 - Mattresses (when over 10k ft2)
 - Other community relevant products when space permits and based on local demographics and needs (seasonal product, tools, fitness, etc.)
- Highly trained consultative experts that focus on helping customers with
- large purchases and home solutions
- In-home support and consultation
- Unlimited service opportunities and solutions; Service Live

Financial Summary (2018E)

(4 Operating Stores)

Proof of Concept

(\$ in 000s)	2018F
Sales	\$ 23,882
Gross Margin	7,435
GM %	31%
Operating Expenses	5,557
EBITDA	1,878
EBITDA %	8%
EBITDAR	3,065
EBITDAR %	13%
IRR	36%
Payback	3.75 yrs

* Assumes \$475k for corporate home office expenses

Description	Store Economics
Gross SF	7,500 to 20,000
Selling SF	6,750 to 18,000
Annualized Sales	\$4M - \$8M
Sales per/GSF	\$400 - \$500
EBITDA \$	\$.4m - \$1.0m
EBITDA %	~8%
EBITDAR \$	\$.6m - \$1.4m
EBITDAR %	~13%
Capital Investment	\$1.4m - \$1.8m
IRR	30% -60%
Payback	3 - 4 yrs

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Opening small footprint stores represents a major growth opportunity

Small Store Scale Opportunity



Stores	4	40	56	20	18	16	154
Capital Investment *	\$6M	\$64M	\$90M	\$32M	\$29M	\$25M	\$246M

*excludes working capital (inventory, etc.)

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With a payback period of 3 – 4 years, small footprint stores have a high return on invested capital and can scale quickly

Financial Summary

	2018	2019	2020	2021	2022	2023	Total	
(\$ in 000s)	\$	\$	\$	\$	\$	\$	\$	% Sales
Store Count:	4	44	100	120	138	154	154	
Net Sales	\$23,882	\$160,536	\$437,323	\$622,770	\$729,333	\$819,289	\$2,793,134	
Gross Margin	\$7,435	\$51,895	\$141,368	\$201,316	\$235,763	\$264,842	\$902,619	32.3%
Fixed Payroll Expense	\$526	\$3,815	\$10,393	\$14,801	\$17,333	\$19,471	\$66,339	2.4%
Variable Payroll Expense	\$1,349	\$9,782	\$26,647	\$37,947	\$44,440	\$49,922	\$170,087	6.1%
Corporate Overhead	\$478	\$3,211	\$8,746	\$12,455	\$14,587	\$16,386	\$55,863	2.0%
Other Expenses	\$2,016	\$14,620	\$39,826	\$56,714	\$66,418	\$74,610	\$254,204	9.1%
Expenses (Excl Rent, Depr)	\$4,370	\$31,427	\$85,613	\$121,917	\$142,778	\$160,388	\$546,493	19.6%
Rent, CAM & Tax	\$1,187	\$7,028	\$19,145	\$27,263	\$31,929	\$35,867	\$122,418	4.4%
Per Square Foot	20	20	20	20	20	20	20	
EBITDA	\$1,879	\$13,439	\$36,611	\$52,136	\$61,056	\$68,587	\$233,708	8.4%
EBITDAR	\$3,065	\$20,467	\$55,756	\$79,399	\$92,985	\$104,454	\$356,126	12.8%
Store Capital	\$ 6,400	\$ 64,000	\$ 89,600	\$ 32,000	\$ 28,800	\$ 25,600	\$ 246,400	
Depreciation	\$ 200	\$ 1,800	\$ 6,200	\$ 10,200	\$ 11,700	\$ 12,500	\$ 42,600	

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The Online team is focused on delivering significant growth to retail

Online Growth Strategy

- The online growth plan emphasizes on driving 3 areas of focus:

1. Improve the basics – visits, conversion rates, and average order value (AOV)
2. Deliver needle mover initiatives
3. Instill operational excellence

To achieve this growth plan (\$1.3bn incremental revenue by '21 and \$3.5bn by '23), we will need to invest primarily in talent acquisition and technology improvements (redo); both to be defined



Key Growth Initiatives

- Improve conversion metrics over time to industry average (each 0.1 increase on a \$1.5bn business equates to \$150mm)
- Drive personalization with machine learning
- Leverage marketplace to accelerate selection growth with all core platform capabilities (e.g. leasing)
- Deliver a best-in-class experience for our best categories (Home Appliances and Apparel)
- Continue Mobile First – Accelerate app adoption (2x higher conversion rate than mobile web)
- Test new business models: test before you buy (apparel and footwear), appliance upgrade payment model (allow members to upgrade to latest innovation), subscription services (consumables, apparel, and other frequency categories)
- Reconfigure our fulfillment network to be “less dependent” on fusion sales

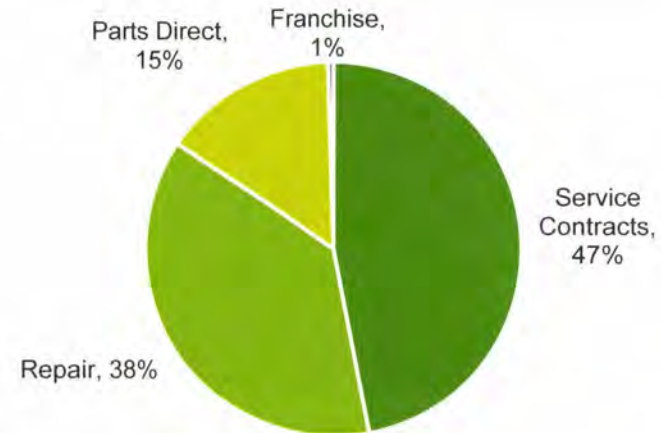
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Sears Home Services is a major EBITDA contributor to SHC

Business Overview

- Sears Home Services ("SHS") provides repair services and service contracts for appliances, electronics, outdoor power equipment, residential heating & cooling systems, power tools and fitness equipment
- The largest provider of appliance and lawn & garden parts for the DIY community at 2-3x the next largest competitor
 - The PartsDirect business has over 130k SKUs on Amazon and eBay marketplaces
 - 88% of customers that purchase on Amazon are new to Sears
- SHS provides a comprehensive suite of service contracts for single appliances or warranties for all appliances in the home
- The largest broad line provider of product repair services to SHC customers, manufacturers, third party administrators, insurance & warranty companies and general consumers
- Franchise services include carpet & upholstery care, air duct cleaning & indoor air quality, garage solutions, maid services and handyman solutions

Revenue by Segment



FY 2019E Revenue: \$1.7bn Revenue

Preliminary 2019 Forecasted Financials

(\$ mm)	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	FY19
Home Services													
Revenue	\$131	\$163	\$130	\$129	\$163	\$135	\$132	\$163	\$125	\$129	\$159	\$131	\$1,690
(-) COGS	(\$36)	(\$44)	(\$36)	(\$34)	(\$45)	(\$39)	(\$38)	(\$45)	(\$36)	(\$35)	(\$43)	(\$36)	(\$468)
Gross Margin	\$95	\$119	\$94	\$94	\$118	\$96	\$94	\$118	\$90	\$94	\$116	\$96	\$1,222
Margin (%)	72%	73%	72%	73%	72%	71%	71%	72%	72%	73%	73%	73%	72%
(-) Operating Expenses	(\$76)	(\$97)	(\$76)	(\$75)	(\$96)	(\$77)	(\$76)	(\$95)	(\$73)	(\$75)	(\$94)	(\$77)	(\$987)
EBITDA	\$19	\$22	\$18	\$19	\$22	\$18	\$19	\$23	\$17	\$18	\$22	\$19	\$235
Margin (%)	14%	14%	14%	15%	14%	14%	14%	14%	13%	14%	14%	15%	14%

Note: Excludes SHIP.

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SHS Is Positioned for Growth with Industry-Leading Breadth of Products, Services, and Fulfillment Capabilities

Focused on expanding SHS's position as a trusted partner for home service needs, delivering exceptional experiences through an integrated fulfillment model



Current Services Portfolio	Protect (Service Contracts)	Fix (In-Home Repair)	Do-It-Yourself ("DIY") (Parts Direct)	Maintain (Franchise)
	<ul style="list-style-type: none"> Protection Agreements Home Warranty Replacement Plans 	<ul style="list-style-type: none"> In-Home Service & Repair Direct to Consumer Support of Protection Agreements Serving the industry 	<ul style="list-style-type: none"> E-commerce site for appliances and lawn & garden parts Parts sold on 3rd party marketplaces 	<ul style="list-style-type: none"> Carpet & Upholstery Cleaning Duct Cleaning Floor & Tile Cleaning Handyman & Maid

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The SHS team sees significant opportunity to grow sales and profitability

Included in the Forecast

Incremental Opportunities with Sufficient Capital



Weil

LAZARD

M&P PARTNERS

Note: Items depicted do not make up 100% of incremental revenue; 2018E excludes SHIP

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There is a large opportunity to grow the B2B in-home repair business

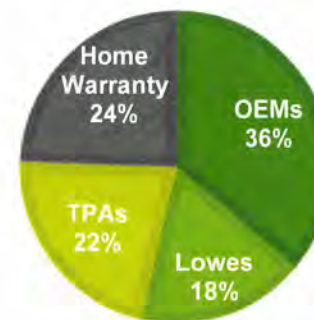
Business Overview

- In February 2018 shifted strategy to include a focus on serving the industry
 - OEMs, warranty companies, 3rd party administrators
 - There is more demand than supply in the marketplace
- Rationale was two fold:
 - Minimize dependency on Sears retail
 - Take advantage of nationwide reach and growing volume of external service call demand
- Initial skepticism in the marketplace
 - Sears pricing was much higher than the marketplace and quality was below par
- Through improved account management and pricing alignment Sears was given incremental "test" business to prove our commitment to the space
- Recently won 30% of large OEMs volume, up from 1% previously
- Large warranty provider has increased service volume awarded to SHS by 50%

In-Home Call Volume

- B2B volume up 30% in the last 17 weeks of the year vs the first 17 week of the year
- However B2B call volume is up 44% over the last 12 weeks vs prior year and up 55% over the last 4 weeks vs prior year
- Continue to gradually increase B2B volume across the client base
- Plan for 30% volume increase in each of the next two fiscal years
- Currently have ~8% market share of the 8M+ annual B2B repair call market

B2B MARKET SIZE IS 8.6M ANNUAL REPAIRS



B2B Type	Annual Repair Volumes (M)
OEMs	3.1
Lowes	1.5
TPAs	1.9
Home Warranty	2.1
Total	8.6



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Assurant is providing a 3rd party protection agreement solution to ensure SHC can continue to sell protection agreements to its members

Commentary

- Assurant has best overall economics (especially in the aftermarket), 3 year term, no upfront reserve payment, additional B2B service volume
- Pre-petition, we were collecting ~\$12.5M of cash per week
 - Currently collecting ~\$2.5M of cash per week due to suspended sales in 34 states
 - With Assurant solution, we will collect ~\$5.5M of cash per week
- Margin impact over the life of a PA contract is \$4 less than pre-petition
 - Year one (one time) 4x improvement to SHS PA contract EBITDA due to immediate revenue recognition; \$8 increasing to \$32 on a per policy basis
- Will be live in 39 states immediately after contract signing, final 11 states will have various timing depending on state procedures
 - Goal is to have all states live by Thanksgiving
- We will continue to use our existing programs, so no need for re-training or operational change other than collateral for term and conditions
 - Retail continues to get full commission on sales
- Sears Home Services retains ownership of the customer

Summary of Terms

No Underwriter				Assurant			
Retail		Aftermarket		Retail - Sears		Aftermarket	
Price	\$200	Price	\$144	Price	\$200	Price	\$144
25% Loss cost	(\$49)	58% Loss cost	(\$84)	25% Loss cost	(\$49)	58% Loss cost	(\$84)
100% TLR	\$0	100% TLR	\$0	90% TLR	(\$5)	90% TLR	(\$9)
Dealer Net	(\$49)	Dealer Net	(\$84)	Dealer Net	(\$54)	Dealer Net	(\$93)
4% Admin Reserve	(\$9)	10% Admin Reserve	(\$15)	4% Admin Reserve	(\$9)	10% Admin Reserve	(\$15)
0.0% Risk/UW/IPT Fee	\$0	0.0% Risk/UW/IPT Fee	\$0	6.5% Risk/UW/IPT Fee	(\$4)	6.5% Risk/UW/IPT Fee	(\$6)
Total Reserves	(\$58)	Total Reserves	(\$99)	Total Reserves	(\$67) 16%	Total Reserves	(\$114)
Revenue (Initial Cash)	\$200	Revenue (Initial Cash)	\$144	Revenue (Initial Cash)	\$133 -33%	Revenue (Initial Cash)	\$30
50% Retail	(\$100)	12% Acquisition	(\$17)	50% Retail	(\$100)	12% Acquisition	(\$17)
SHS (Excess)	\$100	SHS (Excess)	\$127	SHS (Excess)	\$33	SHS (Excess)	\$12
Total Expenses	(\$58)	Total Expenses	(\$99)	Total Expenses	\$0	Total Expenses	\$0
100% Profit Share	\$0	100% Profit Share	\$0	80% Profit Share	\$4	80% Profit Share	\$7
Home Services	\$42	Home Services	\$28	Home Services	\$38 -11%	Home Services	\$20
Sears Total (excl 9.5% comm)	\$142	Sears Total	\$28	Sears Total (excl 9.5% comm)	\$138 -3%	Sears Total	\$20
Margin %	71%	Margin %	19%	Margin %	69%	Margin %	14%

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The Citi credit card agreement drives incremental profitability for SHC

Business Overview

- The SYW Financial Services Business Unit ("SYWFS") provides credit, financial products, and payments solutions through a number of retail formats, as well as in online and commercial channels
- Diverse product portfolio includes:
 - Consumer Credit (Private Label and General Purpose Cards)
 - Third Party Payment Options (Visa, MasterCard, American Express, Discover, PIN Debit)
 - Layaway
 - Gift Card
 - Alternative Financial Services (Check Cashing, Bill Pay, etc.)
- Provides financing options to support customers' ability to pay and drive incremental visits and profits to SHC retail locations and increase loyalty and of customers to SHC via the SYW rewards program
- Citi card agreement also saves the Company ~\$45mm of interchange fees which are not included as part of the business unit's EBITDA

Revenue by Segment

Store Related Revenue ⁽¹⁾



Non-Pass Through Revenue



FY 2019E Revenue: \$49mm Revenue

Preliminary 2019E Forecasted Financials

(\$ mm)	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	FY19
Financial Services													
Revenue	\$3	\$3	\$2	\$3	\$7	\$5	\$5	\$5	\$5	\$3	\$4	\$5	\$49
(-) Operating Expenses	(\$0)	\$0	(\$0)	(\$0)	(\$1)	(\$0)	(\$1)	(\$1)	(\$0)	(\$1)	(\$1)	(\$0)	(\$5)
EBITDA	\$3	\$3	\$2	\$2	\$6	\$5	\$4	\$4	\$5	\$2	\$3	\$5	\$44

(1) Revenue by segment based on LTM revenue as reported by the Company

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SG&A reductions are already underway

OCTOBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JANUARY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Internal Date

Key Date

DATE(S)

EVENT

October 29	Commence wave 1 of store closures (142 stores)
October 30	Initial SG&A reduction by month due from businesses with by month pacing including any investment if applicable
October 31	Finalize SG&A reduction plan along with names of any initial cuts to be done before Thanksgiving. HR to begin RIF process
November 2	HR submission of impacted names to Legal for review
November 8	Potential buyer to notify which stores to purchase. All other stores to commence closure process
November 15	SG&A wave 1 employee notices to begin
November 21	Commence wave 2 of store closures [Store count TBU]
November 30	SG&A wave 2 names of cuts due to HR
January 17	SG&A wave 2 reduction to be completed

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SHC will reduce ~\$1.2bn of spend to a less than \$600mm annual run-rate

(\$ in 000s)	Full Year (Annualized)					
	Current Run-Rate	Run-Rate Target	Initial Cuts Identified Nov 1	Pro Forma Run-Rate	% of Cuts Identified	% of Target Identified
Core (Retailing)						
Buying Organization	111,912	50,000	(54,699)	57,212	48.9%	87.4%
Retail Services & Online	89,928	50,000	(40,906)	49,022	45.5%	102.0%
Marketing	174,888	50,000	(129,690)	45,198	74.2%	110.6%
Total CORE (Retailing)	376,727	150,000	(225,296)	151,432	59.8%	99.1%
Back Office						
Legal	33,218	11,207	(17,502)	15,716	52.7%	71.3%
Accounting	27,454	9,262	(8,402)	19,052	30.6%	48.6%
FP&A	1,759	593	-	1,759	0.0%	33.7%
GM Team	505	170	(505)	-	100.0%	NA
Internal Audit	1,756	592	(628)	1,128	35.8%	52.5%
Procurement	4,940	1,667	(3,410)	1,530	69.0%	108.9%
Risk Management	1,453	490	(298)	1,155	20.5%	42.5%
Treasury	8,886	2,998	(2,962)	5,924	33.3%	50.6%
Real Estate ⁽¹⁾	28,406	9,583	(1,485)	26,921	5.2%	35.6%
HR	22,184	7,484	(13,383)	-8,801	60.3%	85.0%
IT	165,508	55,837	(102,650)	-62,858	62.0%	88.8%
Holding Company & Other	9,288	3,134	(6,155)	3,134	66.3%	100.0%
Total Back Office	305,357	103,018	(157,380)	147,978	51.5%	69.6%
Home Services and Other						
Home Services	44,522	19,172	(22,000)	22,521	49.4%	85.1%
Sears Auto Centers	12,386	5,334	(5,490)	6,896	44.3%	77.3%
Kenmore, Craftsman & Diehard	11,727	5,050	(6,677)	5,050	56.9%	100.0%
Contract Appliances	367	158	(209)	158	56.9%	100.0%
Builder Distributors	930	400	(529)	400	56.9%	100.0%
Connected Living	1,125	484	(640)	484	56.9%	100.0%
Service Live	1,662	716	(946)	716	56.9%	100.0%
Total Home Services & Other Businesses	72,719	31,315	(36,493)	36,226	50.2%	86.4%
Shop Your Way	38,263	1,000	(32,449)	5,814	84.8%	17.2%
Gross Healthcare & Benefits	37,254	25,000	(12,254)	25,000	32.9%	100.0%
Supply Chain Home Office	11,844	11,480	(364)	11,480	3.1%	100.0%
Total Home Office	842,165	321,813	(464,235)	377,930	55.1%	85.2%
Call Centers⁽²⁾	31,733	23,188	(8,545)	23,188	26.9%	100.0%
Supply Chain DC Operations ⁽³⁾	296,879	100,000	(99,263)	197,616	33.4%	50.6%
Total	1,170,777	445,001	(572,043)	598,734	48.9%	74.3%

Notes:

(1) Real Estate current run-rate removes the \$8.9mm EDA tax credit from the city of Hoffman Estates.

(2) \$31.8mm of Call Centers is not allocated (primarily composed of \$21mm of online); MSO reduction target based on the total reduction reported by the MSO team.

(3) Includes \$73.0mm of total internal margin charge from the stores.

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With aggressive management, we will see over \$500mm of savings in 2019

(\$ in 000s)	Home Office Monthly Pacing															
	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	FY 2019
Core (Retailing)																
Buying Organization	9,326	9,326	8,036	6,747	6,747	6,747	6,747	6,747	4,768	4,768	4,768	4,768	4,768	4,768	4,768	67,107
Retail Services & Online	8,886	7,138	5,269	4,085	4,085	4,085	4,085	4,085	4,085	4,085	4,085	4,085	4,085	4,085	4,085	49,022
Marketing	11,861	12,094	11,318	3,358	3,358	3,358	3,358	3,358	3,358	3,358	3,358	3,358	4,991	4,991	4,991	45,198
Total CORE (Retailing)	30,073	28,558	24,623	14,190	14,190	14,190	14,190	14,190	12,211	12,211	12,211	12,211	13,844	13,844	13,844	161,327
Back Office																
Legal	1,693	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	15,716
Accounting	1,729	1,729	1,729	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	19,052
FP&A	147	147	147	147	147	147	147	147	147	147	147	147	147	147	147	1,759
GM Team	53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal Audit	150	150	150	94	94	94	94	94	94	94	94	94	94	94	94	1,128
Procurement	126	245	245	128	128	128	128	128	128	128	128	128	128	128	128	1,530
Risk Management	114	114	96	96	96	96	96	96	96	96	96	96	96	96	96	1,155
Treasury	669	669	669	494	494	494	494	494	494	494	494	494	494	494	494	5,924
Real Estate ⁽¹⁾	2,188	2,402	2,236	2,267	2,463	2,067	2,088	2,239	2,216	2,064	2,374	2,297	2,052	2,380	2,243	26,750
HR	1,438	1,357	1,136	733	733	733	733	733	733	733	733	733	733	733	733	8,801
IT	15,427	14,017	14,660	16,269	15,680	15,728	15,747	15,323	12,252	6,824	6,689	6,685	5,237	5,207	5,238	126,879
Holding Company & Other	774	697	619	542	464	387	310	261	261	261	261	261	261	261	261	3,792
Total Back Office	24,508	22,836	22,997	23,667	23,197	22,771	22,734	22,411	19,318	13,738	13,913	13,832	12,139	12,436	12,331	212,486
Home Services and Other																
Home Services	2,428	2,166	1,732	1,732	2,166	1,732	1,732	2,166	1,732	1,732	2,166	1,732	1,732	2,166	1,732	22,521
Sears Auto Centers	85	252	534	622	575	575	575	575	575	575	575	575	575	575	575	6,943
Kenmore, Craftsman & Diehard	977	880	782	684	586	489	421	421	421	421	421	421	421	421	421	5,547
Contract Appliances	31	28	24	21	18	15	13	13	13	13	13	13	13	13	13	174
Builder Distributors	77	70	62	54	46	39	33	33	33	33	33	33	33	33	33	440
Connected Living	94	84	75	66	56	47	40	40	40	40	40	40	40	40	40	532
Service Live	138	125	111	97	83	69	60	60	60	60	60	60	60	60	60	786
Total HS & Other Businesses	3,830	3,604	3,320	3,277	3,531	2,966	2,874	3,308	2,874	2,874	3,308	2,874	2,874	3,308	2,874	36,943
Shop Your Way	738	189	(264)	481	413	662	565	304	764	553	369	718	256	233	497	5,814
Gross Healthcare & Benefits	3,104	2,856	2,608	2,359	2,111	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,304
Supply Chain Home Office	1,058	1,052	1,052	1,052	1,052	988	988	988	988	988	988	988	988	988	957	11,957
Total Home Office	63,312	59,095	54,336	45,026	44,493	43,661	43,435	43,285	38,240	32,448	32,872	32,707	32,186	32,893	32,587	453,831
Call Centers ⁽²⁾	2,644	2,380	2,116	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	1,932	23,188
Supply Chain DC Operations ⁽³⁾	21,730	28,542	18,361	16,021	17,617	18,957	16,204	17,443	14,087	15,149	17,536	15,053	15,857	18,580	15,807	198,311
Total	87,686	90,017	74,812	62,979	64,043	64,550	61,572	62,660	54,259	49,529	52,341	49,693	49,975	53,405	50,326	675,330

Notes:

(1) Real Estate current run-rate removes the \$8.9mm EDA tax credit from the city of Hoffman Estates.

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(3) Includes \$73.0mm of total internal margin charge from the stores.

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We have already taken action on over 1,000 total corporate seats

Business	Active			Open Positions			Total		
	Active	Total Salary	Average Salary	Open	Total Salary	Average Salary	Positions	Total Salary	Average Salary
Home Services	161	13,059,052	81,112	4	431,000	107,750	165	13,490,052	81,758
Call Centers	16	1,041,485	65,093	-	-	NA	16	1,041,485	65,093
Retail (Central support)	224	10,827,899	48,339	13	602,392	46,338	237	11,430,291	48,229
Merchants-Off Price	8	563,073	70,384	4	409,555	102,389	12	972,628	81,052
Health and Wellness Solutions	3	473,640	157,880	1	105,000	105,000	4	578,640	144,660
Sourcing - US	1	109,490	109,490	-	-	NA	1	109,490	109,490
KCD	7	856,200	122,314	4	315,000	78,750	11	1,171,200	106,473
Human Resources	28	1,680,000	60,000	5	300,000	60,000	33	1,980,000	60,000
Legal	20	1,803,906	90,195	11	986,500	89,682	31	2,790,406	90,013
Finance	13	1,322,804	101,754	-	-	NA	13	1,322,804	101,754
Pricing	3	349,500	116,500	-	-	NA	3	349,500	116,500
Procurement	16	1,356,901	84,806	2	250,000	125,000	18	1,606,901	89,272
Asset Profit & Protection	41	2,693,427	65,693	9	611,300	67,922	50	3,304,727	66,095
Supply Chain/Innovel - Corp	-	-	NA	-	-	NA	-	-	NA
Inventory Mgmt	-	-	NA	6	627,500	104,583	6	627,500	104,583
Marketing/IMX/Studio	54	4,292,210	79,485	-	-	NA	54	4,292,210	79,485
Analytics	6	627,244	104,541	2	392,000	196,000	8	1,019,244	127,406
Online	9	934,019	103,780	33	1,884,000	57,091	42	2,818,019	67,096
Financial Services	3	450,000	150,000	2	156,000	78,000	5	606,000	121,200
Real Estate	42	2,129,817	50,710	4	451,208	112,802	46	2,581,025	56,109
Kenmore Direct - CS (Field)	83	2,430,827	29,287	1	65,000	65,000	84	2,495,827	29,712
Kenmore Direct - CD (Seattle)	17	1,595,218	93,836	-	-	NA	17	1,595,218	93,836
SYW*	183	16,852,941	92,093	1	116,000	116,000	184	16,968,941	92,223
MT	-	-	NA	-	-	NA	-	-	NA
SHI Analytics	19	815,000	42,895	-	-	NA	19	815,000	42,895
Total Salary	957	66,264,653	69,242	102	7,702,455	75,514	1,059	73,967,108	69,846
Assumed 14% Avg Benefits	957	9,277,051	9,694	102	1,078,344	10,572	1,059	10,355,395	9,778
Total Salary & Benefits	957	75,541,704	78,936	102	8,780,799	86,086	1,059	84,322,503	79,625

* SYW has identified 80 positions to be impacted in Israel

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IT is undergoing a major overhaul and reducing overhead from \$166mm to \$63mm

(\$ in 000s)	Monthly Pacing															FY 2019	FY 2020
	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20		
II																	
Total Current Expenses	16,061	16,280	15,178	16,442	17,391	14,440	14,392	13,978	14,024	13,928	13,729	13,688	13,779	13,616	12,333	171,738	158,911
Less: Expense Reductions	(633)	(2,263)	(518)	(172)	(1,710)	1,288	1,355	1,345	(1,772)	(7,104)	(7,039)	(7,003)	(8,542)	(8,410)	(7,061)	(44,827)	(96,053)
Go-Forward Expenses	15,427	14,017	14,660	16,269	15,680	15,728	15,747	15,323	12,252	6,824	6,689	6,685	5,237	5,207	5,271	126,912	62,858
CapEx Requirements	-	-	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	30,044	30,044

~\$30mm investment required to achieve a \$96mm reduction in annual spend to an annual run-rate of \$63mm

Strategy to Achieve Reduction

- Fundamental strategy change – replace legacy applications with SaaS solutions and exit internal data centers
 - Requires less FTEs to operate – less infrastructure heads and less developers (\$6mm/month to \$2.1mm)
- Deliverables achieved by Q3 2019:
 - Implementation of an ERP application – enables the deprecation of mainframes
 - Implementation of CRM and cloud based contact center – improves member experience as the agent will have a full 360 view of the member from a single screen and take out cost such as deprecation of legacy telephone infrastructure
 - Creation of a single product master (hierarchy) – simplifies the business. For example, same SKU used across all format. It also enables us to consolidate technology. For example, a single conveyable warehousing system, a single POS
 - Our Non FTE spend drops from \$9mm/month to \$2.5mm. ~ \$5mm (65%) is mainframe + outsourced infrastructure support resources
- The key risks are the (1) company's ability to absorb so much change over a short time period. For example, many business processes will need to change; (2) we will discover something that we didn't foresee. We need to execute with military grade precision, extreme paranoia and issues should be surfaced and resolved in real time. Net, its all about execution.

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IT is performing an exhaustive contract review to take advantage of the chapter 11 contract rejection opportunity

Detailed Contract Analysis

Summary

	Reject	Eliminate	Reduce	Renegotiate	Review	Total
<u>MT Contracts</u>						
Number	1	102	17	-	7	127
\$ Value	\$1,628,151	\$62,348,847	\$30,101,120	-	\$2,603,728	\$96,681,846
Number Prepaid	-	6	1	-	-	7
\$ Value Prepaid	-	\$6,149,100	\$252,000	-	-	\$6,401,100
<u>Contracts that Cover MT & Non-MT</u>						
Number	-	2	13	1	-	16
\$ Value	-	\$89,743	\$61,264,935	\$5,287,539	-	\$66,642,217
Number Prepaid	-	-	-	-	-	-
\$ Value Prepaid	-	-	-	-	-	-
<u>Non-MT Contracts Managed by MT</u>						
Number	-	2	21	1	1	25
\$ Value	-	\$8,047,945	\$13,460,133	\$1,313,264	\$582,530	\$23,403,872
Number Prepaid	-	-	1	-	1	2
\$ Value Prepaid	-	-	\$6,353	-	\$4,253	\$10,606
<u>Total Contracts</u>						
Number	1	106	51	2	8	168
\$ Value	\$1,628,151	\$70,486,535	\$104,826,188	\$6,600,803	\$3,186,258	\$186,727,935
Number Prepaid	-	6	2	-	1	9
\$ Value Prepaid	-	\$6,149,100	\$258,353	-	\$4,253	\$6,411,706

168 contracts reviewed with an annual expense of \$187mm (out of 210 total contracts with spend of \$198mm)

Summary Status:

- Reject – 1
- Eliminate – 106
- Reduce – 51
- Renegotiate – 2
- Review – 8

Key

- Reject – will reject contract
- Eliminate – will not renew
- Reduce – will reduce spend
- Renegotiate – will need to negotiate new terms – we cannot just reduce
- Review – decision not made

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Appendix

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Kenmore Business Summary

Business Overview

- Kenmore is broken into two business units
 - Major Home Appliance: Markets and sells refrigerators and freezers, laundry washers and dryers, cooking ranges and ovens, and dishwashers (#5 overall ranked leader in major appliances (11% U.S. sales share))
 - Small Appliance: Markets and sells small kitchen appliances, water softeners, electric air cleaners, vaporizers, vacuums, steam cleaners, room air conditioners, outdoor grills and over the counter microwaves
- The majority of its products manufactured via contracts with OEMs
- The majority of its current distribution via Sears-branded retail stores but with rapidly growing third-party distribution (e.g. Amazon)
- No. of Households: ~100mm as of 2017E (cumulative)

Historical Revenue⁽¹⁾

(\$Ms)

\$5,000

\$4,000

\$3,000

\$2,000

\$1,000

\$0

\$3,921

\$3,477

\$2,963

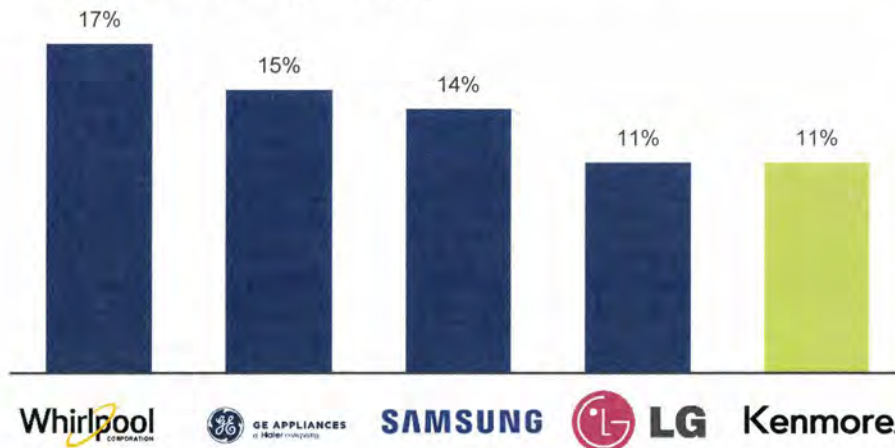
FY2015

FY2016

FY2017

Leading U.S. Market Share

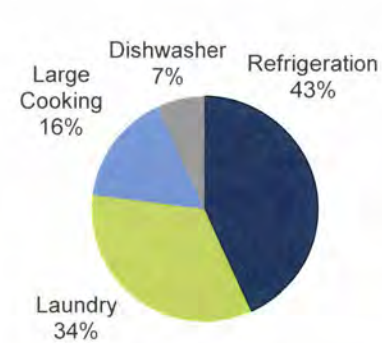
(2017E Sales Share by Brands, %)



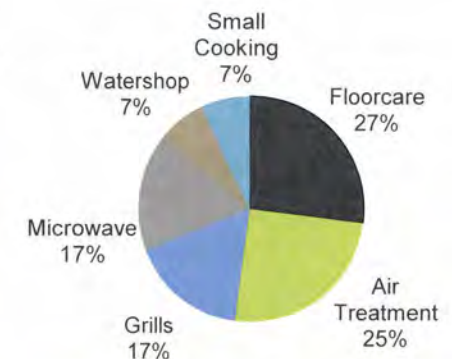
Financial Overview

(LTM Dec 2017 Sales)

Major Home Appliance

**\$2.5bn in Sales**

Small Appliance

**\$348M in Sales**

(1) Gross retail sales per CIM – Kenmore records revenue based on gross retail sales (included in Hardlines) or its license revenue from Sears sales of Kenmore branded products and third party sales

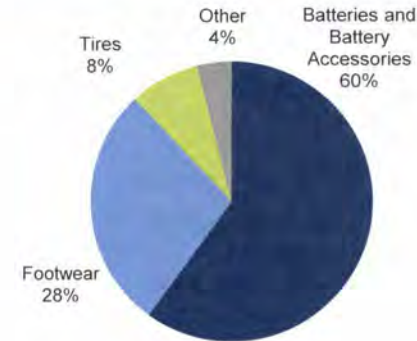
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DieHard Business Summary

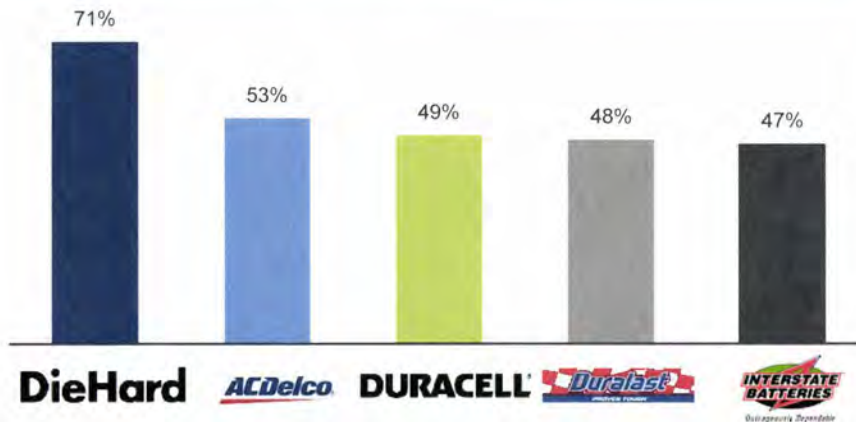
Business Overview

- Leading provider of power solutions since 1967
- Current U.S. sales share of 4% for vehicle batteries
- Products sold primarily through Sears channels, with select external retail distribution
- All products are manufactured by leading contract manufacturers, required to comply with DieHard high quality standards
- Well-balanced portfolio of vehicle batteries, with well-developed strategies for new product introductions in adjacent and peripheral industries
 - Adjacent (Power): Connected Lighting Solutions, Solar Power Solutions
 - Peripheral (Lifestyle): Rugged Wear, Extreme Wear

Revenue by Segment



Brand Awareness



Select Products



Vehicle Batteries

- Offered for Auto, Marine & RV, PowerSport and Lawn & Tractor



Vehicle Battery Back Up

- Various applications range from jumping a car battery to powering laptop within a car



Portable Power and Lights

- Categories include tool batteries, alkaline batteries, flashlights and LED lights



Work Boots

- High-performance boots, offered in both slip-ons and lace-ups



Tires

- Mid-Tier Passenger car tires manufactured by Kumho sold in SAC



Consumer Electronics

- Categories include Powerbanks, Chargers, Charging station, Phone cases and headsets

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Monark Business Summary

Business Unit Overview

- Monark Premium Appliance Company and its affiliates form a nationwide distributor of premium home appliances that serve architects, builders, designers, developers and homeowners
- Monark represents a partnership between three leading distributors: Florida Builder Appliances, Westar Kitchen & Bath and Standards of Excellence
- Showrooms provide customers with premium cooking, cooling and cleaning appliances
- Monark operates within the larger Hardlines business
- Established June, 2015

Store Locations

20 showrooms across Arizona, California, Florida and Nevada



Select Brands

Alfresco

ASKO

best

dacor

DCS
by Fisher & Paykel

Electrolux

SAMSUNG

Scotsman

Speed Queen

SUB-ZERO

SUMMIT
APPLIANCE

Thermador

U-LINE

Vent Hood

VIKING
PROFESSIONAL

GE

LA CORNUE

LG

ShopYourWay Business Summary

Business Unit Overview

- Shop Your Way (SYW) is an integrated B2C, B2B, and B2B2C platform that provides personalized data & insights, analytics, marketing and rewards capabilities to customers and partners
- Data and Insights platform draws on more than 100 billion data elements across 160 data sources and 4,000 variables enabling thousands of unique member segments
- Dynamic analytics engines & algorithms identify changes in behaviors, score members in real time, and power decisions through relevant marketing channels
- Targeted marketing capabilities optimize communications, offers, timing, and channel driving the desired member behavior
- Rewards program provides one currency earned across multiple partners to drive member loyalty

Shop Your Way and the Sears Ecosystem



1. Compelling Value Prop + Easy Linkage drives sign-ups for programs, services, partners
2. Engagement in the ecosystem rewards members with SYW points and builds profiles for members
3. Personalization and Service platforms connect members to products and services
4. SYW Points and Partner Funding deliver value for members and create a multiplier/leveraged model for Sears/Kmart
5. Ecosystem Engagement provides feedback needed to expand / tailor the offering
6. Member Engagement / Redemption create more demand and performance for partners, which creates more opportunities for members and profitable growth
7. Journeys/ Categories creates and curate new product offerings (7a), develops the value proposition (7b), uses data to tag, target and deliver personalized offers (7c), and connects the online/instore experience (7d)
8. Markets Team drives the end-to-end system at a member, store, and community level, creating new capabilities for the go-forward integrated retail business

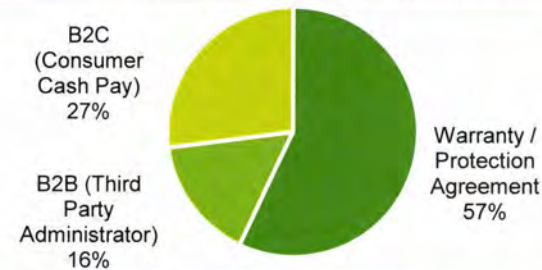
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In Home Repair Overview

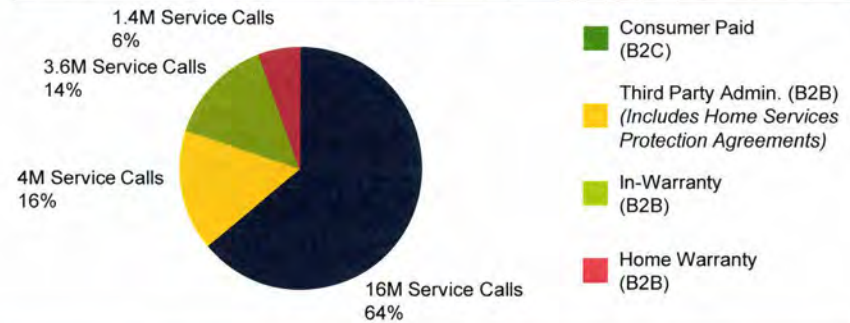
Business Overview

- In-Home Repair is a leading national provider of appliance repair services in the U.S.
- Provides B2C + B2B repair services for appliances, consumer electronics, outdoor power equipment, fitness equipment, power tools and HVAC systems under the Sears and A&E Factory Service brand names
- Customers can book an appointment in-store or by phone / online and receive a preliminary diagnosis from trained professionals
- Appliance repairs are covered by a 90-day satisfaction guarantee
- Approximately 4,500 trained in-house service techs complemented by over 800 independent contractor firms within 1099 labor network
- Home Services has access to total network of 1.5M+ units of repair capacity via its 1099 network(1)
- Over 40% of technicians have more than 10 years of experience
- Provides services in 50 states, the District of Columbia, Guam and Puerto Rico through ~50 district locations and other support locations

In-Home Call Volume



Appliance Repair Marketplace



Top B2B Customers



Service Contracts Overview

Business Overview

• **Service Contracts:** Leading national provider of service, replacement and home warranty contracts under the Sears, Kmart and A&E Factory Service brand names

• **Two primary contracts:** Protection Agreements and Home Warranty

- Various coverage and term offers to meet customer repair and replacement needs
- Contracts cover appliances, consumer electronics, outdoor power equipment, fitness equipment, power tools, HVAC systems and select other merchandise
- In 2014, began offering the Sears Home Warranty Plan
 - Single protection plan that covers the repair or replacement of major home appliances and systems regardless of their age, brand or point of sale

• **Contracts sold via SHC retail locations (point of sale) and through post purchase / point of need channels, including telemarketing, direct mail, In-Home Repair Services technicians and call center associates**

- Currently approximately 10M contracts in force

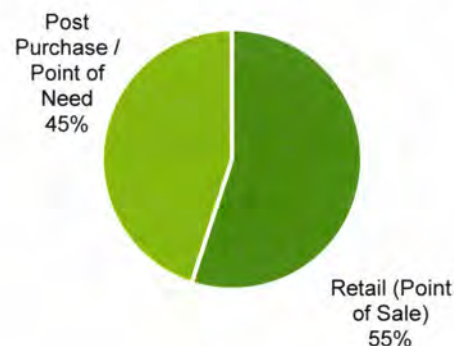
• **In-Home:** Provides repair services for appliances, consumer electronics, outdoor power equipment, fitness equipment, power tools and HVAC systems under the Sears and A&E Factory Service brand names

- Approximately 5.2 million in-home repair and maintenance events performed for all major brands during 2017

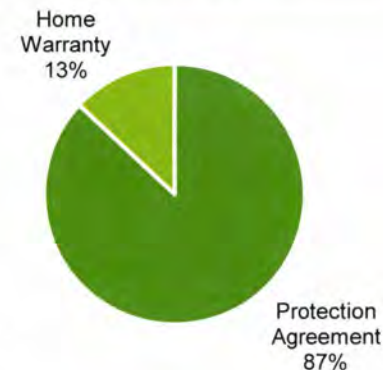
• **Will begin offer Protection Agreements underwritten by Assurant in the coming weeks**

Portfolio Mix (Service Contracts)

By Origin

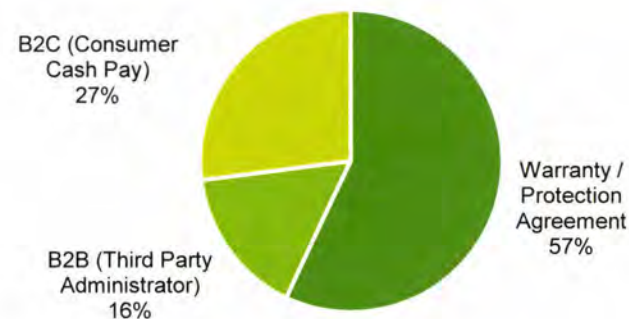


By Contract Type



In Home (by Repair Type)

(Represents call volume by type)



PartsDirect Overview

Business Overview

- PartsDirect provides repair parts & accessories for most major brand appliances, outdoor power equipment, water heaters and treatment to DIY consumers
- Primarily offer OEM approved replacement parts, with accessories and maintenance products driving incremental sales
- Peak sales period: March through September, coinciding with the Spring and Lawn & Garden season
- Core business in consumer space (via website and phone), with growing marketplace / third party

Channel Strategy

- Provide solutions via web, phone, commercial and third party marketplaces
- Fast-growing third party marketplaces (e.g., Amazon, eBay) primarily under the DIY Repair Parts brand
- Monetization strategy to leverage parts catalog
- Digital and social media marketing strategy driving increased visits to SPD.com and website rebuild improving conversion rate of users
- ~640 dedicated expert advisors located in 8 call centers assist consumers by phone

Customer / Need Overview

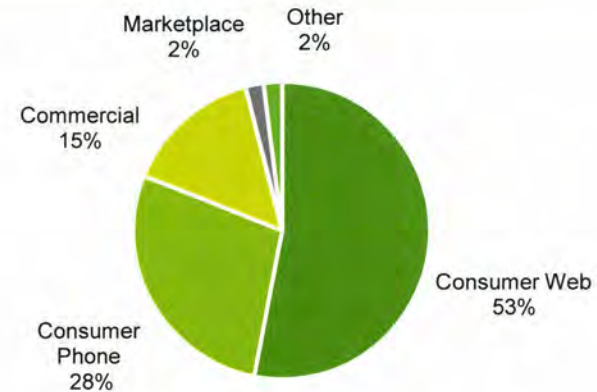
- 60% of customers primary reason for visiting site is to purchase a replacement part for their product (16% to research part replacement)
- 11.5% of purchasers are new to Parts Direct and 42% have done business with Parts Direct in the last 5 years

Note:

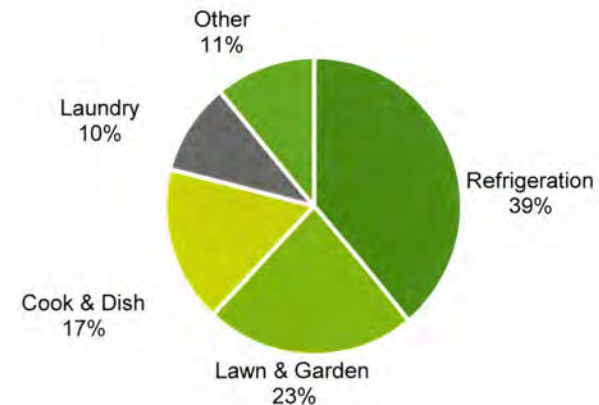
(1) As of FY2017

Portfolio Business Mix⁽¹⁾

By Channel



By Product

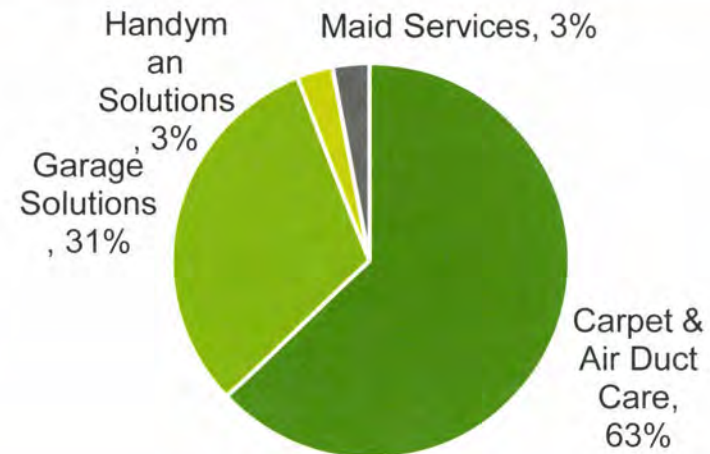


Franchise Overview

Business Overview

- Franchise services is a leading multi-service franchisor in the residential home service sector
- Services include carpet & upholstery care, air duct cleaning & indoor air quality, garage solutions, maid services and handyman solutions
- Franchise agreements are generally for a term of 10 years and are renewable
 - Revenue stream includes initial fee, royalty fee (6-10% of net revenue), monthly IT Support fee, renewal and transfer fee
- Franchise network managed through operational visits, phone calls, review of vendor statements and sales trends, customer satisfaction scores, background and insurance compliance and annual independent audits
- Over 390 active franchise territories across current franchise business models
 - In more than 375K homes annually
 - Approximately 76% service area coverage nationwide across business models
- In 2014, began offering handyman and maid services
- Approximately 40 corporate employees supporting the franchise network and branches
 - Functions include operations, IT, marketing and advertising, finance, customer service, R&D and search engine optimization
- Headquartered in Columbus, OH

Business Mix



Franchise Locations



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Liquidity Update and Illustrative Store Footprint Scenarios

Executive Summary (cont.)

In order to assess the potential liquidity requirements to continue to operate 505 stores, we have performed the following analysis:

- Updated the baseline 410 store cash flow forecast through February 16, 2019 to include the following key revisions:
 - New Protection Agreement sales based on partnering with third-party underwriter to continue selling protection agreements across 34 currently suspended states earning 40% commission on gross sales
 - Revised budget includes updated inventory balances and anticipated expenses for the GOB sales
 - Revised Junior DIP financing assumptions to L+11.50%, and 3.0% upfront fee on \$350M GACP loan in accordance with proposed term sheet
 - Reduction of the same store sales assumptions from a range of -12.5% to -15.0% to a flat -15.0% throughout the entire 18 week period for all go-forward stores
- Page 8 summarizes the changes in the 410 forecasts by line items; below are the key adjustments/impacts

(\$ in millions)

Net Availability	February 16, 2019 Net Availability	Adjustments	Revised February 16, 2019 Net Availability
Approved Initial DIP Budget (including 3 weeks of Actual Results)	(\$80.9)		
Lower PA revenue and receipts		(125.8)	
Additional Junior DIP Financing		50.0	
Higher receipts in first 3 weeks		28.3	
Lower operating expense disbursements		27.5	
Higher interest and fees on Junior DIP		(7.5)	
All Other Adjustments (capex, borrowing base, non-operating receipts, GOB, other)		(20.7)	
Total Revised Assumptions Impact		(\$48.2)	
Revised 410 Forecast Final Total Liquidity			(\$129.2)

- Additionally, we prepared store footprint scenarios including: 505, 359 and 300 stores
 - GOB assumptions on 11/15: 505 store scenario - 40 stores, 359 scenario - 186 stores, 300 scenario - 245 stores
- We have included for reference, the 10/15/18 Budget with weeks 1-3 updated with actuals and timing variances rolled through ("10/15/18 DIP Budget with Actuals through 11/2/18") which assumed operating 410 stores

1. Max incremental availability capped at \$600M

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Liquidity Summary

The table below shows ending liquidity for three different time periods:

(\$ in millions)

Total Liquidity (Net Availability + Available Cash)

Scenario	December 15, 2018	December 29, 2018	February 16, 2019
10/15/18 DIP Budget (410 Stores) *	\$138.6	\$96.1	(\$61.2)
10/15/18 DIP Budget with Actuals through 11/2/18	153.4	100.1	(80.9)
Revised DIP Budget (410 Stores) **	137.4	164.8	(129.2)
505 Store Scenario	102.7	114.6	(198.8)
359 Store Scenario	153.3	189.8	(97.5)
300 Store Scenario	179.1	226.1	(53.8)

Based on the updated forecast assumptions, continuing to operate 505 stores through February 16, 2019 as opposed to the 410 stores included in the Initial DIP Budget would require an incremental \$70M of liquidity:

(\$ in millions)

Incremental Liquidity Cost to Maintain 505 Stores Until:

Comparison	December 15, 2018	December 29, 2018	February 16, 2019
vs. Revised DIP Budget (410 Stores)	(\$34.7)	(\$50.2)	(\$69.6)
vs. 359 Alternative Store Scenario	(\$50.6)	(\$75.2)	(\$101.3)
vs. 300 Alternative Store Scenario	(\$76.4)	(\$111.5)	(\$145.0)

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410 Store Footprint Comparison

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10/15/18 DIP Budget (410 Stores)*

Initial Approved Budget (Scenario - 410 GFS)

Month	October			November				December					January				February		Total
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																			
[1] Normal Course Net Merchandise Receipts	\$107.9	\$110.6	\$104.8	\$91.7	\$95.1	\$112.8	\$161.8	\$77.8	\$96.8	\$97.5	\$123.8	\$163.6	\$88.8	\$75.1	\$64.1	\$61.8	\$56.5	\$56.4	\$1,747.0
[2] Plus: GOB Sales Receipts	0.0	0.0	40.1	50.9	49.9	91.4	95.4	95.1	93.0	86.2	73.7	67.6	52.8	29.0	25.2	15.8	0.0	0.0	866.0
[3] Plus: Other Cash Receipts	52.7	55.2	54.6	38.8	39.1	44.5	58.8	31.3	36.4	36.6	43.6	54.3	50.7	50.7	50.7	38.7	38.7	826.0	
[4] Plus: Non-Operating Receipts	0.0	0.0	2.3	0.0	0.0	0.0	2.8	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	9.2
[5] Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts	\$160.6	\$165.8	\$201.8	\$181.5	\$184.1	\$248.7	\$318.8	\$204.1	\$226.1	\$220.2	\$241.1	\$287.2	\$192.3	\$154.8	\$140.0	\$130.6	\$95.1	\$95.1	\$3,448.2
OPERATING DISBURSEMENTS																			
[6] Merchandise Vendors	\$64.7	\$77.9	\$80.0	\$74.3	\$61.0	\$79.0	\$80.9	\$45.2	\$55.0	\$87.8	\$80.0	\$53.6	\$54.3	\$49.5	\$46.7	\$44.8	\$41.1	\$44.5	\$1,120.3
[7] Occupancy	0.0	0.0	0.0	13.2	1.5	0.0	0.0	11.0	3.7	0.0	0.0	0.0	14.7	0.0	0.0	0.0	11.0	3.7	58.8
[8] Payroll, Taxes, and Benefits	47.5	30.9	73.8	32.0	61.1	32.6	74.3	40.3	41.9	34.0	46.3	33.2	43.1	29.2	29.3	43.1	32.4	35.5	760.3
[9] Other SG&A Disbursements	77.9	81.5	61.5	73.3	80.2	66.3	82.7	75.3	54.6	73.1	67.3	65.6	72.3	68.1	65.3	61.9	58.9	52.5	1,228.1
[10] GOB Rent	0.0	0.0	0.0	17.4	1.9	0.0	0.0	14.5	4.8	0.0	0.0	0.0	14.8	0.0	0.0	0.0	0.0	0.0	53.4
[11] GOB Adm'l Expenses	0.0	0.0	8.5	8.6	8.7	16.7	16.9	17.0	17.2	17.2	16.9	16.7	16.5	8.3	8.2	8.0	0.0	0.0	185.3
[12] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.6
[13] Less: GOB Store Level Expenses Add-Back	0.0	0.0	(4.8)	(4.8)	(4.8)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(10.7)	(10.7)	(10.7)	(14.8)	(14.8)	(155.6)
Total Operating Disbursements	\$190.1	\$190.2	\$219.0	\$214.2	\$189.6	\$184.6	\$244.9	\$193.5	\$177.3	\$202.2	\$200.5	\$159.2	\$205.6	\$144.3	\$138.8	\$147.1	\$128.6	\$121.4	\$3,251.2
[14] Less: CapEx	1.4	1.7	1.1	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.6	1.7	22.2
Net Cash Flow	(\$30.9)	(\$26.2)	(\$18.3)	(\$34.4)	(\$6.7)	\$63.1	\$72.8	\$9.6	\$47.4	\$17.0	\$39.8	\$126.9	(\$14.4)	\$9.6	\$0.1	(\$17.5)	(\$35.1)	(\$28.0)	\$174.8
NON-OPERATING CASH FLOW																			
[15] Utility Deposits	\$6.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.7
[16] Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	12.4	0.0	0.0	0.0	0.0	12.5	0.0	0.0	0.0	18.5	45.4
[17] Critical Vendor Payments	19.6	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	98.0
[18] Insurance Payments	1.4	1.4	1.4	0.7	0.7	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[19] Gift Card Redemptions	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	14.9
[20] KEIP / KERP	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.5
[21] Credit Card Holdbacks	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2
[22] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[23] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related	\$31.3	\$12.5	\$18.8	\$11.7	\$13.7	\$11.7	\$11.7	\$11.3	\$23.7	\$1.5	\$1.5	\$5.7	\$6.3	\$12.5	\$0.0	\$3.3	\$0.0	\$18.5	\$195.7
[26] Less: Cash Interest	3.7	3.6	3.7	3.8	3.9	3.9	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.9	3.9	3.9	3.9	4.0	68.8
[27] Less: Financing Fees	22.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.5
Total Other Non-Operating Disbursements	\$26.2	\$3.6	\$3.7	\$3.8	\$3.9	\$3.9	\$3.9	\$3.9	\$3.9	\$3.8	\$3.8	\$3.7	\$3.8	\$3.9	\$3.9	\$3.9	\$3.9	\$4.0	\$91.3
[28] Unencumbered Leases	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
[29] Unencumbered RE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[30] Net Cash Flow Before ABL Paydown, ex TL	(\$88.4)	(\$42.3)	(\$40.8)	(\$49.9)	(\$24.3)	\$47.5	\$57.2	(\$5.6)	\$19.9	\$11.7	\$34.5	\$117.5	(\$15.6)	\$2.2	\$5.1	(\$15.8)	(\$30.1)	(\$41.6)	(\$58.9)
[31] Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
Net Cash Flow Before ABL Paydown, w/TL	\$23.5	(\$42.3)	(\$40.8)	(\$49.9)	(\$24.3)	\$47.5	\$57.2	(\$5.6)	\$19.9	\$11.7	\$34.5	\$117.5	(\$15.6)	\$2.2	\$5.1	(\$15.8)	(\$30.1)	(\$41.6)	\$53.0
[32] Other Financing	\$2.4	\$42.3	\$40.8	\$49.9	\$24.3	(\$47.5)	(\$57.2)	\$5.6	(\$19.9)	(\$11.7)	(\$34.5)	(\$117.5)	\$15.6	(\$2.2)	(\$5.1)	\$15.8	\$30.1	\$41.6	(\$27.1)
Net Cash Flow	(\$86.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$86.0)
Available Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$0.0
Net Availability	278.4	241.3	312.7	231.3	183.0	154.7	237.3	175.1	138.6	99.0	96.1	133.4	85.1	69.0	36.1	(10.5)	(27.3)	(61.2)	(\$61.2)
[33] Memo: Total Liquidity (Availability + Cash)	\$278.4	\$241.3	\$312.7	\$231.3	\$183.0	\$154.7	\$237.3	\$175.1	\$138.6	\$99.0	\$96.1	\$133.4	\$85.1	\$69.0	\$36.1	(\$10.5)	(\$27.3)	(\$61.2)	(\$61.2)
Memo: Window Reserve	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS	76.6	78.5	74.4	65.1	67.5	114.9	80.1	55.2	68.7	69.2	87.9	116.1	63.0	53.3	45.5	43.9	\$40.2	\$40.1	1,240.5
Memo: GOB COGS	0.0	0.0	26.2	30.0	32.3	59.7	64.9	66.5	70.0	69.3	66.0	62.8	56.3	30.1	27.5	23.6	\$0.0	\$0.0	685.1

* Filed with Bankruptcy Court on 10/15/18

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10/15/18 DIP Budget with Actuals through 11/2/18

Project Blue - Rolling 13-Week DIP Budget (3 + 13)

Month	October			November				December					January				February		Total	Total
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks	Weeks
Actual / Forecast	ACT	ACT	ACT	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST	FCST		
Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19		
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-13	1-18
CASH RECEIPTS																				
[1] Normal Course Net Merchandise Receipts	\$127.0	\$111.6	151.0	\$91.7	\$95.1	\$112.8	\$161.8	\$77.8	\$96.8	\$97.5	\$123.8	\$163.6	\$88.8	\$75.1	\$64.1	\$61.8	\$56.5	\$56.4	\$1,499.3	\$1,813.2
[2] GOB Sales Receipts	0.0	0.0	0.0	50.9	49.9	91.4	95.4	95.1	93.0	86.2	73.7	87.6	52.8	29.0	25.2	15.8	0.0	0.0	755.9	825.9
[3] Other Cash Receipts	64.7	56.9	41.1	38.8	39.1	44.5	58.8	31.3	36.4	36.5	43.6	54.3	50.7	50.7	50.7	50.7	38.7	38.7	596.9	826.4
[4] Non-Operating Receipts	0.0	0.0	4.9	0.0	0.0	0.0	2.8	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	9.5	11.8
[5] TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Total Operating Receipts	\$191.7	\$168.5	\$197.0	\$181.5	\$184.1	\$248.7	\$318.8	\$204.2	\$226.2	\$220.2	\$241.1	\$287.3	\$192.3	\$154.8	\$140.0	\$130.6	\$95.2	\$95.1	\$2,861.6	\$3,477.4
OPERATING DISBURSEMENTS																				
[6] Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$90.0	\$76.7	\$94.7	\$96.6	\$80.9	\$55.0	\$87.8	\$80.0	\$53.6	\$54.3	\$49.5	\$46.7	\$44.8	\$45.9	\$49.6	\$893.7	\$1,130.3
[7] Occupancy	0.0	0.0	0.0	13.2	1.5	0.0	0.0	11.0	3.7	0.0	0.0	0.0	14.7	0.0	0.0	11.0	3.7	44.1	58.8	
[8] Payroll, Taxes, and Benefits	44.0	27.8	65.2	32.0	61.1	32.6	74.3	40.3	41.9	34.0	46.3	33.2	43.1	29.2	29.3	43.1	32.4	35.5	575.7	745.1
[9] Other SG&A Disbursements	15.9	52.9	46.1	94.2	81.1	87.2	103.6	96.2	64.6	73.1	67.3	65.6	72.3	68.1	65.3	61.9	58.9	52.5	920.0	1,226.7
[10] GOB Rent	0.0	0.0	0.0	17.4	1.9	0.0	0.0	14.5	4.8	0.0	0.0	0.0	14.8	0.0	0.0	0.0	0.0	0.0	53.4	53.4
[10] GOB Addtl Expenses	0.0	0.0	0.0	8.6	8.7	16.7	16.9	17.0	17.2	17.2	16.9	16.7	16.5	8.3	8.2	8.0	0.0	0.0	152.4	176.9
[10] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.4	0.6
[10] Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(4.8)	(4.8)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(10.7)	(10.7)	(10.7)	(10.7)	(10.4)	(89.1)	(142.4)
Total Operating Disbursements	\$80.9	\$151.7	\$163.3	\$250.8	\$226.3	\$221.2	\$281.5	\$230.2	\$177.3	\$202.2	\$200.5	\$159.2	\$205.6	\$144.3	\$138.8	\$147.1	\$137.5	\$130.9	\$2,550.7	\$3,249.3
[11] Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.6	1.7	11.5	17.9
Net Cash Flow	\$110.8	\$16.8	\$33.8	(\$71.0)	(\$43.3)	\$26.4	\$36.2	(\$27.0)	\$47.5	\$17.0	\$39.8	\$127.0	(\$14.4)	\$9.6	\$0.1	(\$17.5)	(\$44.0)	(\$37.5)	\$299.5	\$210.1
NON-OPERATING CASH FLOW																				
[12] Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$9.2
[13] Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	19.4	58.8
[14] Critical Trade Motion	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0	98.0
[15] Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6	8.6
[16] Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	10.9	10.9
[17] KEIP / KERF	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6	12.6
[18] Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
[18] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	4.2	7.5
[18] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Chapter 11 Related	\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$162.9	\$205.6
[19] Cash Interest	\$0.9	\$1.1	\$1.1	\$4.0	\$4.0	\$3.9	\$3.9	\$4.0	\$4.0	\$4.0	\$3.9	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0	\$4.1	\$4.1	\$42.8	\$63.1
[20] Financing Fees	10.3	0.0	0.0	0.0	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.8	23.8
Total Other Non-Operating Disbursements	\$11.2	\$1.1	\$1.1	\$4.0	\$17.5	\$3.9	\$3.9	\$4.0	\$4.0	\$4.0	\$3.9	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0	\$4.1	\$4.1	\$66.6	\$86.9
[21] Unencumbered Leases	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
[22] Unencumbered RE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	8.9	53.4
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[24] Net Cash Flow Before ABL paydown, ex TL	\$99.6	\$6.6	\$32.7	(\$91.2)	(\$92.6)	(\$4.3)	\$16.0	(\$43.3)	\$15.9	\$2.9	\$34.6	\$117.7	(\$15.7)	(\$1.4)	\$5.0	(\$16.0)	(\$39.2)	(\$56.2)	\$78.9	(\$28.9)
TL Draws	\$111.9	\$0.0	\$0.0	\$0.0	\$111.9	\$0.0	\$94.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$94.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$411.9	\$411.9
Net Cash Flow Before ABL paydown, w/ TL	\$211.5	\$6.6	\$32.7	(\$91.2)	(\$19.3)	(\$4.3)	\$110.1	(\$43.3)	\$15.9	\$2.9	\$34.6	\$117.7	\$78.3	(\$1.4)	\$5.0	(\$16.0)	(\$39.2)	(\$56.2)	\$490.8	\$383.0
[25] ABL Revolver Draws / (Paydowns)	\$0.0	\$0.0	\$0.0	\$0.0	(\$262.7)	\$4.3	(\$110.1)	\$43.3	(\$15.9)	(\$2.9)	(\$34.6)	(\$117.7)	(\$78.3)	\$1.4	(\$5.0)	\$16.0	\$39.2	\$56.2	(\$574.6)	(\$466.8)
[26] Net Cash Flow after Financing	\$211.5	\$6.6	\$32.7	(\$91.2)	(\$243.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$83.8)	(\$83.8)
[27] Available Cash	\$295.3	\$301.9	\$334.6	\$243.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
[28] Net Availability ⁽¹⁾	155.5	115.0	66.5	93.7	329.1	247.8	289.5	189.6	153.4	104.0	100.1	137.0	91.1	73.5	39.7	(8.1)	(36.3)	(80.9)	91.1	(80.9)
[29] Memo: Total Liquidity (Availability + Cash)	\$450.8	\$416.9	\$401.1	\$337.1	\$329.1	\$247.8	\$289.5	\$189.6	\$153.4	\$104.0	\$100.1	\$137.0	\$91.1	\$73.5	\$39.7	(\$8.1)	(\$36.3)	(\$80.9)	\$91.1	(\$80.9)
Wind-Down Reserve Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$8.9	\$53.4
Memo: Merchandise COGS	133.0	135.2	133.7	65.1	67.5	114.9	80.1	55.2	68.7	69.2	87.9	116.1	63.0	53.3	45.5	43.9	40.1	40.1	1,189.8	1,412.7
Memo: GOB COGS	NA	NA	NA	30.0	32.3	59.7	64.9	66.5	70.0	69.3	66.0	62.8	56.3	30.1	27.5	23.6	0.0	0.0	577.7	658.8
Memo: Borrowing Base	1,798.5	1,757.9	1,709.4	1,736.7	1,709.3	1,632.4	1,564.0	1,507.3	1,455.2	1,403.0	1,364.5	1,283.7	1,159.5	1,143.3	1,104.5	1,072.7	1,083.6	1,095.2	1,159.5	1,095.2
Memo: Sr DIP & TL Borrowings	1,642.9	1,642.9	1,642.9	1,642.9	1,380.3	1,384.6	1,274.5	1,317.7	1,301.9	1,299.0	1,264.4	1,146.7	1,068.4	1,069.7	1,064.8	1,080.7	1,119.9	1,176.1	1,068.4	1,176.1
Memo: Jr DIP Borrowings	-	-	-	-	111.9	111.9	206.0	206.0	206.0	206.0	206.0	206.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0

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Summary Bridge: (10/15/18 DIP Budget with 3 weeks of actual vs. Revised DIP Budget)

	Actualized DIP Budget 18 Weeks	Updated 410 Budget 18 Weeks	Variance B / (W) 18 Weeks	Notes
CASH RECEIPTS				
Normal Course Net Merchandise Receipts	\$1,813.2	\$1,841.5	\$28.3	Includes aggregated Wave 1 GOB sales (Actuals through Week 3)
Plus: GOB Sales Receipts	825.9	811.6	(14.3)	A portion of GOB sales are comingled with normal course receipts; to be updated when GOB reporting in place
Plus: Other Cash Receipts	826.4	700.7	(125.8)	Change to PA sales plan and based on new underwriting partner and temporary sales dislocation
Plus: Non-Operating Receipts	11.8	6.8	(5.0)	Does not include 3 weeks of actuals aggregated into net other cash receipts
Plus: TSA & CSA Receipts	0.0	0.0	0.0	Line now included for scenario analysis purposes - No assumption in baseline model
Total Cash Receipts	\$3,477.4	\$3,360.6	(\$116.8)	
OPERATING DISBURSEMENTS				
Merchandise Vendors	\$1,130.3	\$1,121.6	\$8.6	Lower disbursements than forecast due to short-term transportation bottlenecks
Occupancy	58.8	92.3	(33.5)	Reclassification of DC rent to Occupancy cost
Payroll, Taxes, and Benefits	745.1	743.8	1.3	No material changes to forecast - <i>still pending update from SG&A team</i>
Other SG&A Disbursements	1226.7	1208.7	17.9	Includes: reclassification of DC rent to Occupancy cost, update of Company non-merch forecast, change in forecasting aggregation methodology, and captures yet-to-be-allocated GOB expenses
GOB Rent	53.4	41.9	11.5	To be updated following initial GOB reporting; potential offsets across other GOB expenses
GOB Add'l Expenses	176.9	135.6	41.3	A significant portion of GOB expenses are comingled with SG&A disbursements; to be updated when GOB reporting in place
GOB Liquidator Fees	0.6	0.4	0.1	No material changes to forecast
Less: GOB Store Level Expenses Add-Back	(142.4)	(128.0)	(14.4)	To be updated following initial GOB reporting
Total Operating Disbursements	\$3,249.3	\$3,216.4	\$32.9	
Less: CapEx	17.9	16.8	1.1	Week 1-3 actuals lower than forecast - treated as permanent
Net Cash Flow	\$210.1	\$127.4	(\$82.8)	
NON-OPERATING CASH FLOW				
Chapter 11 Related	205.6	205.6	0.0	<i>Weeks 1-3 variances treated as timing</i>
Less: Cash Interest	63.1	68.4	(5.3)	Reflects Junior DIP interest
Less: Financing Fees	23.8	26.1	(2.3)	Includes Junior DIP fees
Total Other Non-Operating Disbursements	\$86.9	\$94.4	(\$7.5)	
Unencumbered Assets	53.4	53.4	0.0	No material changes to assumptions in baseline model
Excess Proceeds	0.0	0.0	0.0	Line now included for scenario analysis purposes - No assumption in baseline model
Total Asset Sales	\$53.4	\$53.4	\$0.0	
Net Cash Flow Before ABL Paydown, ex TL	(28.9)	(119.2)	(90.3)	Negative variance primarily attributable to reforecast of PA sales
Other Financing	(466.8)	(77.7)	389.1	Reclassification of \$350mm Junior DIP + \$95mm additional financing need due to cash burn
Net Cash Flow	(\$83.8)	(\$85.0)	(\$1.2)	
Available Cash - Ending	0.0	0.0	0.0	
Net Availability	(80.9)	(129.2)	(48.2)	
Memo: Total Liquidity (Availability + Cash)	(\$80.9)	(\$129.2)	(\$48.2)	
Memo: Wind-down Reserve Balance	53.4	53.4	0.0	
Memo: Merchandise COGS	1,412.7	1,164.9	(247.8)	
Memo: GOB COGS	658.8	661.6	2.8	
Memo: Borrowing Base	1,095.2	1,086.1	(9.1)	
Memo: Sr. DIP & 1L Borrowings	1,176.1	1,215.2	39.1	

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Revised DIP Budget (410 Stores)

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 410 Go-Forward Stores

Month	October			November				December					January				February		Total	
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks	
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19		
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18	
CASH RECEIPTS																				
[1]	Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$81.9	\$167.7	\$81.9	\$102.2	\$100.1	\$125.6	\$168.2	\$91.1	\$76.5	\$65.6	\$63.2	\$58.2	\$58.0	\$1,841.5
[2]	Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	90.3	95.3	96.4	90.0	83.9	74.5	64.5	50.1	27.6	21.8	14.5	0.0	0.0	811.6
[3]	Plus: PA Sales	2.5	11.1	4.9	2.3	6.0	6.1	9.3	7.7	6.4	6.7	6.2	6.3	6.8	7.1	6.7	6.4	6.6	6.2	115.1
[4]	Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5]	Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6]	Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts		\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$198.3	\$295.1	\$210.4	\$223.1	\$215.1	\$230.8	\$265.2	\$189.0	\$152.1	\$134.9	\$127.2	\$105.6	\$105.1	\$3,360.6
OPERATING DISBURSEMENTS																				
[7]	Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$86.1	\$91.5	\$98.8	\$76.5	\$71.9	\$80.7	\$73.2	\$44.3	\$46.0	\$52.9	\$50.3	\$48.4	\$49.5	\$53.4	\$54.0	\$1,121.6
[8]	Occupancy	0.0	0.0	0.0	17.8	3.1	1.2	1.2	15.1	5.8	1.2	1.2	1.2	19.7	1.2	1.2	1.2	15.1	5.8	92.3
[9]	Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	29.5	37.6	743.8
[10]	Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	81.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11]	GOB Rent	0.0	0.0	0.0	14.0	1.6	0.0	0.0	11.7	3.9	0.0	0.0	0.0	10.7	0.0	0.0	0.0	0.0	0.0	41.9
[11]	GOB Add'l Expenses	0.0	0.0	0.0	6.8	6.8	12.9	13.1	13.2	13.3	13.2	13.1	12.9	12.6	6.1	5.9	5.8	0.0	0.0	135.6
[11]	GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11]	Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(10.6)	(10.6)	(9.4)	(9.4)	(9.4)	(9.4)	(8.0)	(8.0)	(8.0)	(8.0)	(8.2)	(8.2)	(128.0)	
Total Operating Disbursements		\$80.9	\$151.7	\$163.3	\$246.2	\$236.1	\$223.5	\$254.6	\$231.4	\$214.8	\$189.1	\$156.5	\$143.5	\$192.6	\$133.7	\$141.5	\$148.1	\$160.0	\$148.9	\$3,216.4
[12]	Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow		\$105.4	\$16.8	\$33.8	(\$78.7)	(\$49.7)	(\$26.2)	\$39.4	(\$22.0)	\$6.9	\$25.0	\$73.5	\$120.6	(\$4.7)	\$17.5	(\$7.7)	(\$22.0)	(\$55.5)	(\$45.0)	\$127.4
NON-OPERATING CASH FLOW																				
[13]	Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14]	Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15]	Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16]	Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17]	Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	10.9
[18]	KEIP / KERP	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19]	Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20]	PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21]	Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related		\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22]	Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.6	\$3.8	\$4.2	\$4.5	\$4.6	\$4.6	\$4.7	\$4.7	\$4.7	\$4.7	\$4.7	\$4.7	\$68.4
[23]	Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements		\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.6	\$3.8	\$4.2	\$11.5	\$4.5	\$4.6	\$4.6	\$4.7	\$4.7	\$4.7	\$4.7	\$4.7	\$94.4
[24]	Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25]	Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26]	Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$99.0)	(\$94.4)	(\$56.9)	\$19.5	(\$38.0)	(\$24.9)	\$3.4	\$67.7	\$110.6	(\$6.6)	\$5.9	(\$3.4)	(\$21.0)	(\$51.3)	(\$64.3)	(\$119.2)
[27]	Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28]	Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$99.0)	(\$94.4)	(\$56.9)	\$19.5	(\$38.0)	(\$24.9)	\$3.4	\$67.7	\$110.6	(\$6.6)	\$5.9	(\$3.4)	(\$21.0)	(\$51.3)	(\$64.3)	(\$7.3)
[29]	Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$136.9)	\$56.9	(\$19.5)	\$38.0	\$24.9	(\$3.4)	(\$67.7)	(\$110.6)	\$6.6	(\$5.9)	\$3.4	\$21.0	\$51.3	\$64.3	(\$77.7)
Net Cash Flow		\$206.1	\$6.6	\$32.7	(\$99.0)	(\$231.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30]	Available Cash	296.5	297.7	330.4	231.3	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31]	Net Availability	155.5	115.0	86.5	82.1	173.5	89.5	160.4	204.3	237.4	100.0	164.8	177.9	49.4	41.1	5.5	(41.4)	(79.7)	(129.2)	(129.2)
[32]	Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$313.4	\$173.5	\$89.5	\$160.4	\$204.3	\$137.4	\$100.0	\$164.8	\$177.9	\$49.4	\$41.1	\$5.5	(\$41.4)	(\$79.7)	(\$129.2)	(\$129.2)
Memo: Wind-down Reserve Balance		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS		74.1	64.3	67.0	79.0	58.2	119.1	58.2	72.6	71.1	89.2	119.4	64.7	54.3	46.6	44.8	41.3	41.2	41.2	1,164.9
Memo: GOB COGS		0.0	26.5	30.7	31.5	58.3	64.4	65.8	67.2	66.4	66.0	58.5	53.1	27.8	23.5	21.7	0.0	0.0	0.0	661.6
Memo: Borrowing Base		1,798.5	1,757.9	1,709.4	1,725.0	1,679.5	1,652.4	1,553.8	1,485.7	1,443.7	1,402.9	1,350.0	1,252.5	1,130.5	1,116.3	1,084.1	1,058.2	1,071.2	1,086.1	
Memo: Sr. DIP & TL Borrowings		1,642.9	1,642.9	1,642.9	1,642.9	1,506.0	1,562.9	1,393.4	1,281.4	1,306.3	1,302.9	1,185.2	1,074.5	1,081.1	1,075.2	1,078.6	1,099.6	1,150.9	1,215.2	
Memo: Jr DIP Borrowings		0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	300.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

1. Includes other cash receipts and SHS inflows due to one-week lag in allocation actualization process

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Additional Store Footprint Scenarios

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505 Store Scenario

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 505 Go-Forward Stores

Month	October			November				December					January				February		Total	
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks	
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19		
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18	
CASH RECEIPTS																				
[1]	Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$96.4	\$201.4	\$96.4	\$120.2	\$117.2	\$148.7	\$197.8	\$106.8	\$89.1	\$77.0	\$74.4	\$67.8	\$67.6	\$2,062.2
[2]	Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	65.5	63.7	64.8	56.7	51.5	41.8	36.1	26.3	7.6	6.3	4.2	0.0	0.0	527.3
[3]	Plus: PA Sales	2.5	11.1	4.0	2.3	6.0	6.1	9.3	7.7	6.4	6.7	6.2	6.3	6.8	7.1	6.7	6.4	6.6	6.2	115.1
[4]	Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5]	Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6]	Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts		\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$188.0	\$297.2	\$193.4	\$207.8	\$199.8	\$221.2	\$266.5	\$180.8	\$144.7	\$130.8	\$128.2	\$115.3	\$114.7	\$3,297.0
OPERATING DISBURSEMENTS																				
[7]	Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$91.3	\$105.8	\$114.5	\$86.4	\$81.2	\$94.8	\$85.4	\$50.7	\$52.9	\$61.6	\$58.2	\$55.7	\$57.0	\$61.4	\$62.1	\$1,262.9
[8]	Occupancy	0.0	0.0	0.0	21.5	3.5	1.2	1.2	18.2	6.9	1.2	1.2	1.2	23.8	1.2	1.2	1.2	18.2	6.9	108.8
[9]	Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	28.5	37.6	743.8
[10]	Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11]	GOB Rent	0.0	0.0	0.0	10.3	1.1	0.0	0.0	8.6	2.9	0.0	0.0	0.0	6.6	0.0	0.0	0.0	0.0	0.0	29.5
[11]	GOB Add'l Expenses	0.0	0.0	0.0	6.8	8.8	8.6	8.8	8.8	8.8	8.7	8.6	8.4	8.2	1.7	1.7	1.6	0.0	0.0	87.4
[11]	GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11]	Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(7.0)	(7.0)	(6.2)	(6.2)	(6.2)	(6.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.3)	(5.3)	(87.5)	
Total Operating Disbursements		\$80.9	\$151.7	\$163.3	\$251.3	\$250.5	\$238.6	\$263.9	\$239.6	\$227.7	\$199.9	\$161.6	\$149.2	\$199.5	\$140.1	\$147.4	\$154.2	\$174.0	\$160.9	\$3,354.2
[12]	Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow		\$105.4	\$16.8	\$33.8	(\$83.8)	(\$64.1)	(\$51.7)	\$32.2	(\$47.3)	(\$21.2)	(\$1.2)	\$58.7	\$116.2	(\$19.8)	\$3.7	(\$17.7)	(\$27.0)	(\$59.7)	(\$47.3)	(\$74.0)
NON-OPERATING CASH FLOW																				
[13]	Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14]	Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15]	Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16]	Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17]	Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	10.9
[18]	KEIP / KERF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19]	Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20]	PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21]	Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related		\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22]	Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.7	\$3.8	\$4.3	\$4.6	\$4.7	\$4.8	\$4.8	\$4.9	\$4.9	\$4.9	\$5.0	\$5.0	\$70.6
[23]	Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements		\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.7	\$3.8	\$4.3	\$11.6	\$4.7	\$4.8	\$4.8	\$4.9	\$4.9	\$4.9	\$5.0	\$5.0	\$96.6
[24]	Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25]	Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26]	Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$104.2)	(\$108.7)	(\$82.4)	\$12.3	(\$63.3)	(\$53.1)	(\$22.9)	\$52.8	\$106.0	(\$21.9)	(\$8.2)	(\$13.7)	(\$26.4)	(\$55.8)	(\$66.9)	(\$322.8)
[27]	Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28]	Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$104.2)	(\$108.7)	(\$82.4)	\$12.3	(\$63.3)	(\$53.1)	(\$22.9)	\$52.8	\$106.0	(\$21.9)	(\$8.2)	(\$13.7)	(\$26.4)	(\$55.8)	(\$66.9)	(\$210.9)
[29]	Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$117.4)	\$82.4	(\$12.3)	\$63.3	\$53.1	\$22.9	(\$52.8)	(\$106.0)	\$21.9	\$8.2	\$13.7	\$26.4	\$55.8	\$66.9	\$125.9
Net Cash Flow		\$206.1	\$6.6	\$32.7	(\$104.2)	(\$226.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30]	Available Cash	296.5	297.7	330.4	226.2	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31]	Net Availability	155.5	115.0	66.5	83.0	170.5	75.4	157.8	186.9	102.7	53.5	114.6	126.0	(13.6)	(25.0)	(62.7)	(107.1)	(147.1)	(198.8)	(108.8)
[32]	Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$309.2	\$170.5	\$75.4	\$157.8	\$186.9	\$102.7	\$53.5	\$114.6	\$126.0	(\$13.6)	(\$25.0)	(\$62.7)	(\$107.1)	(\$147.1)	(\$198.8)	(\$198.8)
Memo: Wind-down Reserve Balance		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS		74.1	64.3	67.0	79.0	68.4	143.0	68.4	85.4	83.2	105.6	140.4	75.8	63.2	54.7	52.9	48.2	48.0	48.0	1,321.6
Memo: GOB COGS		0.0	26.5	30.7	31.5	41.8	45.2	46.6	45.4	43.1	40.5	35.3	31.9	7.8	6.6	6.1	0.0	0.0	0.0	439.1
Memo: Borrowing Base		1,798.5	1,757.9	1,709.4	1,725.9	1,695.9	1,683.3	1,603.3	1,545.7	1,514.6	1,488.4	1,446.7	1,352.0	1,234.3	1,231.0	1,207.1	1,189.0	1,204.8	1,220.0	
Memo: Sr. DIP & TL Borrowings		1,642.9	1,642.9	1,642.9	1,642.9	1,525.5	1,607.9	1,445.5	1,358.8	1,412.0	1,434.9	1,332.1	1,226.0	1,247.9	1,256.1	1,269.8	1,296.1	1,351.9	1,418.9	
Memo: Jr DIP Borrowings		0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	300.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

1. Includes other cash receipts and SHS inflows due to one-week lag in allocation actualization process.

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359 Store Scenario

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 359 Go-Forward Stores

Month	October			November				December					January				February		Total
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																			
[1] Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$73.9	\$148.0	\$73.9	\$92.2	\$91.5	\$113.8	\$153.0	\$82.5	\$69.1	\$59.2	\$57.0	\$52.8	\$52.4	\$1,720.7
[2] Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	102.6	111.3	112.2	106.9	100.4	91.5	79.1	62.6	38.2	30.1	19.9	0.0	0.0	957.6
[3] Plus: PA Sales	2.5	11.1	4.9 ¹	2.3	6.0	6.1	9.3	7.7	6.4	6.7	6.2	6.3	6.8	7.1	6.7	6.4	6.6	6.2	115.1
[4] Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5] Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6] Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts	\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$202.6	\$291.4	\$218.3	\$230.0	\$223.0	\$236.0	\$264.7	\$192.8	\$155.3	\$136.9	\$126.4	\$100.2	\$99.5	\$3,385.8
OPERATING DISBURSEMENTS																			
[7] Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$83.5	\$83.8	\$90.4	\$71.3	\$67.1	\$73.7	\$66.8	\$40.2	\$41.9	\$48.3	\$46.0	\$44.3	\$45.4	\$49.0	\$49.6	\$1,045.3
[8] Occupancy	0.0	0.0	0.0	16.1	2.9	1.2	1.2	13.6	5.4	1.2	1.2	1.2	17.7	1.2	1.2	1.2	13.6	5.4	84.6
[9] Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	29.5	37.6	743.8
[10] Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11] GOB Rent	0.0	0.0	0.0	15.8	1.8	0.0	0.0	13.1	4.4	0.0	0.0	0.0	12.7	0.0	0.0	0.0	0.0	0.0	47.7
[11] GOB Adm'l Expenses	0.0	0.0	0.0	8.8	6.8	15.0	15.4	15.4	15.5	15.4	15.2	14.9	8.3	8.1	7.9	7.9	0.0	0.0	160.2
[11] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11] Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(12.6)	(12.6)	(11.2)	(11.2)	(11.2)	(11.2)	(11.2)	(9.5)	(9.5)	(9.5)	(9.5)	(9.7)	(9.7)	(149.6)
Total Operating Disbursements	\$80.9	\$151.7	\$163.3	\$243.5	\$228.5	\$215.2	\$249.7	\$227.2	\$208.3	\$183.2	\$153.0	\$140.0	\$188.7	\$130.2	\$138.0	\$144.6	\$152.7	\$142.4	\$3,141.1
[12] Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow	\$105.4	\$16.8	\$33.8	(\$76.1)	(\$42.1)	(\$13.7)	\$40.6	(\$9.9)	\$20.3	\$38.7	\$82.1	\$123.6	\$3.0	\$24.3	(\$2.3)	(\$19.2)	(\$53.5)	(\$44.1)	\$227.9
NON-OPERATING CASH FLOW																			
[13] Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14] Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15] Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16] Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17] Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	10.9
[18] KEIP / KERF	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19] Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related	\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22] Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.6	\$3.7	\$4.1	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.6	\$67.3
[23] Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements	\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.6	\$3.7	\$4.1	\$11.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.6	\$93.3
[24] Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25] Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26] Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$96.4)	(\$86.7)	(\$44.3)	\$20.8	(\$25.8)	(\$11.4)	\$17.1	\$76.5	\$113.7	\$1.2	\$12.8	\$2.1	(\$18.1)	(\$49.1)	(\$63.3)	(\$17.5)
[27] Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28] Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$96.4)	(\$86.7)	(\$44.3)	\$20.8	(\$25.8)	(\$11.4)	\$17.1	\$76.5	\$113.7	\$1.2	\$12.8	\$2.1	(\$18.1)	(\$49.1)	(\$63.3)	\$94.4
[29] Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$147.3)	\$44.3	(\$20.8)	\$25.8	\$11.4	(\$17.1)	(\$76.5)	(\$113.7)	(\$1.2)	(\$12.8)	(\$2.1)	\$18.1	\$49.1	\$63.3	(\$179.4)
Net Cash Flow	\$206.1	\$6.6	\$32.7	(\$96.4)	(\$234.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30] Available Cash	299.5	297.7	330.4	234.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31] Net Availability	155.5	115.0	66.5	81.6	175.3	96.7	160.6	211.7	353.3	122.3	189.8	204.1	81.0	72.2	35.1	(14.9)	(49.5)	(97.5)	(97.5)
[32] Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$315.6	\$175.3	\$96.7	\$160.6	\$211.7	\$153.3	\$122.3	\$189.8	\$204.1	\$81.0	\$72.2	\$35.1	(\$14.9)	(\$49.5)	(\$97.5)	(\$97.5)
Memo: Wind-down Reserve Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS	74.1	64.3	67.0	79.0	52.5	105.1	52.5	65.5	64.9	80.8	108.6	58.6	49.1	42.1	40.5	37.5	37.2	1,079.2	
Memo: GOB COGS	0.0	0.0	26.5	30.7	31.5	66.7	74.0	75.3	78.1	78.2	79.2	70.3	63.9	38.2	32.2	29.9	0.0	0.0	774.5
Memo: Borrowing Base	1,798.5	1,757.9	1,709.4	1,724.5	1,671.0	1,636.7	1,529.8	1,456.8	1,409.7	1,361.6	1,302.6	1,203.2	1,079.0	1,069.5	1,023.0	993.1	1,004.6	1,019.4	
Memo: Sr, DIP & TL Borrowings	1,642.9	1,642.9	1,642.9	1,642.9	1,495.7	1,540.0	1,369.2	1,245.0	1,256.4	1,239.3	1,112.9	999.1	998.0	985.1	963.0	1,001.2	1,050.3	1,113.6	
Memo: Jr DIP Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	300.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

1. Includes other cash receipts and SHS inflows due to one-week lag in allocation actualization process

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300 Store Scenario

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 300 Go-Forward Stores

Month	October			November				December				January				February		Total	
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																			
[1] Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$63.0	\$123.9	\$63.0	\$78.8	\$78.4	\$97.2	\$130.7	\$70.5	\$59.3	\$50.4	\$48.4	\$45.0	\$44.8	\$1,554.6
[2] Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	118.7	132.0	132.5	128.8	121.0	112.6	97.0	78.1	50.2	40.3	26.6	0.0	0.0	1,141.1
[3] Plus: PA Sales	2.5	11.1	4.9	2.3	6.0	6.1	9.3	7.7	8.4	6.7	6.2	6.3	6.8	7.1	6.7	6.4	6.6	6.2	115.1
[4] Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5] Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6] Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts	\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$207.7	\$288.0	\$227.6	\$238.5	\$230.5	\$240.5	\$260.3	\$196.4	\$157.8	\$138.2	\$124.6	\$92.5	\$91.9	\$3,403.2
OPERATING DISBURSEMENTS																			
[7] Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$79.6	\$73.4	\$79.1	\$63.4	\$59.7	\$62.9	\$57.1	\$34.5	\$35.6	\$40.7	\$38.8	\$37.4	\$38.3	\$41.4	\$41.9	\$927.9
[8] Occupancy	0.0	0.0	0.0	12.1	2.4	1.2	1.2	10.3	4.3	1.2	1.2	1.2	13.3	1.2	1.2	1.2	10.3	4.3	66.9
[9] Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	29.5	37.6	743.8
[10] Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11] GOB Rent	0.0	0.0	0.0	19.7	2.2	0.0	0.0	16.5	5.5	0.0	0.0	0.0	17.1	0.0	0.0	0.0	0.0	0.0	61.0
[11] GOB Addtl Expenses	0.0	0.0	0.0	6.8	8.8	17.7	18.1	18.2	18.4	18.4	18.3	18.1	17.7	11.0	10.7	10.5	0.0	0.0	190.8
[11] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11] Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(15.8)	(15.8)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(11.9)	(11.9)	(11.9)	(11.9)	(12.0)	(12.0)	(184.1)
Total Operating Disbursements	\$80.9	\$151.7	\$163.3	\$239.7	\$218.1	\$203.5	\$241.4	\$219.7	\$197.6	\$173.6	\$147.3	\$133.7	\$181.6	\$123.3	\$131.5	\$137.8	\$139.4	\$131.3	\$3,015.4
[12] Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow	\$105.4	\$16.8	\$33.8	(\$72.2)	(\$31.7)	\$3.2	\$45.5	\$6.9	\$39.5	\$55.9	\$92.4	\$125.5	\$13.7	\$33.7	\$5.6	(\$14.2)	(\$48.1)	(\$40.6)	\$371.0
NON-OPERATING CASH FLOW																			
[13] Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14] Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15] Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16] Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17] Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	10.9
[18] KEIP / KERP	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19] Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related	\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22] Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.6	\$3.7	\$4.1	\$4.4	\$4.3	\$4.4	\$4.3	\$4.4	\$4.4	\$4.3	\$4.3	\$4.4	\$65.7
[23] Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements	\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.6	\$3.7	\$4.1	\$11.4	\$4.3	\$4.4	\$4.3	\$4.4	\$4.4	\$4.3	\$4.3	\$4.4	\$91.8
[24] Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25] Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26] Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$92.5)	(\$76.3)	(\$27.5)	\$25.7	(\$9.0)	\$7.8	\$34.4	\$86.8	\$115.7	\$12.0	\$22.3	\$10.1	(\$13.0)	(\$43.5)	(\$59.6)	\$127.0
[27] Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28] Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$92.5)	(\$76.3)	(\$27.5)	\$25.7	(\$9.0)	\$7.8	\$34.4	\$86.8	\$115.7	\$12.0	\$22.3	\$10.1	(\$13.0)	(\$43.5)	(\$59.6)	\$238.9
[29] Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$161.5)	\$27.5	(\$25.7)	\$9.0	(\$7.8)	(\$34.4)	(\$86.8)	(\$115.7)	(\$12.0)	(\$22.3)	(\$10.1)	\$13.0	\$43.5	\$59.6	(\$323.9)
Net Cash Flow	\$206.1	\$6.6	\$32.7	(\$92.5)	(\$237.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30] Available Cash	296.5	297.7	330.4	237.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31] Net Availability	155.5	115.0	66.5	80.9	178.4	107.5	164.7	225.5	239.1	155.8	226.1	241.1	118.3	110.6	75.0	23.8	(8.2)	(53.8)	(53.8)
[32] Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$318.7	\$178.4	\$107.5	\$164.7	\$225.5	\$179.1	\$155.8	\$226.1	\$241.1	\$118.3	\$110.6	\$75.0	\$23.8	(\$8.2)	(\$53.8)	(\$53.8)
Memo: Wind-down Reserve Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS		74.1	64.3	67.0	79.0	44.7	88.0	44.7	55.9	55.6	69.0	92.8	50.0	42.1	35.8	34.4	31.9	31.8	961.2
Memo: GOB COGS		0.0	0.0	26.5	30.7	31.5	77.3	86.3	87.8	92.2	93.2	95.4	85.1	77.5	50.8	42.9	39.7	0.0	0.0
Memo: Borrowing Base	1,798.5	1,757.9	1,709.4	1,723.8	1,659.8	1,616.3	1,497.8	1,417.7	1,363.5	1,305.8	1,239.3	1,138.6	1,011.3	984.4	942.1	906.4	915.3	928.9	
Memo: Sr. DIP & 1L Borrowings	1,642.9	1,642.9	1,642.9	1,642.9	1,481.4	1,508.9	1,333.2	1,192.2	1,184.4	1,150.0	1,013.2	897.5	865.4	863.1	853.0	866.0	909.5	909.0	
Memo: Jr DIP Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	300.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

1. Includes other cash receipts and SHS inflows due to one-week lag in allocation actualization process

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Appendix– Additional GOB Models

Supplemental Scenarios

- We have run an additional set of supplemental scenarios identical to the scenarios previously outlined (300 stores, 359 stores, 410 stores, 505 stores) but with the assumption that all remaining stores in each scenario begin GOB sales on December 29, 2018
- These scenarios assume a push of approximately \$1.5M of distribution center inventory into each location during the GOB process with a resulting 89% NOLV recovery
- These scenarios differ slightly from the wind down budget which contemplates a full liquidation –
 - These scenarios are purely illustrative to assess relative near-term liquidity requirements
- These scenarios illustrate the fact that in full liquidation scenarios DIP financing requirements are significantly lower than in go forward scenarios
 - However, these scenarios do not address creditor recoveries based on asset dispositions which could be significantly higher with a going concern store footprint

Scenario	Total Liquidity (Net Availability + Available Cash)		
	December 15, 2018	December 29, 2018	February 16, 2019
505 Store, 12/29 GOB Scenario	\$55.5	\$67.6	\$388.9
410 Store, 12/29 GOB Scenario	86.8	108.0	322.6
359 Store, 12/29 GOB Scenario	111.0	137.2	312.6
300 Store, 12/29 GOB Scenario	148.3	179.2	314.8

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505 stores GOB on 12/29

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 505 Go-Forward Stores, then GOB all stores 12/29

Month	October			November				December					January				February		Total
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																			
[1] Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$201.4	\$105.5	\$96.4	\$120.2	\$117.2	\$148.7	\$197.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,588.6
[2] Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	65.5	63.7	64.6	56.7	51.5	41.8	196.4	231.3	204.4	221.9	203.1	200.3	168.5	1,872.6
[3] Plus: PA Sales	2.5	11.1	4.9	2.3	6.0	6.1	9.3	7.7	6.4	6.7	6.2	6.3	6.8	7.1	6.7	6.4	6.6	6.2	115.1
[4] Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5] Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6] Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts	\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$292.9	\$201.3	\$193.4	\$207.8	\$199.8	\$221.2	\$426.7	\$279.0	\$252.4	\$269.4	\$252.7	\$247.8	\$215.6	\$4,168.6
OPERATING DISBURSEMENTS																			
[7] Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$91.3	\$105.8	\$114.5	\$86.4	\$81.2	\$94.8	\$56.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$774.4
[8] Occupancy	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	18.6
[9] Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	29.5	37.6	743.8
[10] Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11] GOB Rent	0.0	0.0	0.0	30.6	3.4	0.0	0.0	25.5	8.5	0.0	0.0	0.0	29.1	0.0	0.0	0.0	0.0	0.0	97.2
[11] GOB Addtl Expenses	0.0	0.0	0.0	6.8	8.8	8.8	8.8	8.8	8.8	8.7	8.6	31.8	32.0	25.8	25.8	26.0	24.4	24.3	255.8
[11] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11] Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(7.0)	(7.0)	(6.2)	(6.2)	(6.2)	(6.2)	(22.6)	(21.6)	(21.6)	(21.6)	(21.6)	(21.7)	(21.7)	(202.3)
Total Operating Disbursements	\$80.9	\$151.7	\$163.3	\$251.3	\$250.5	\$238.6	\$263.9	\$239.6	\$227.7	\$170.9	\$110.9	\$103.4	\$145.4	\$89.4	\$99.4	\$105.2	\$103.7	\$101.1	\$2,896.7
[12] Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow	\$105.4	\$16.8	\$33.8	(\$83.8)	(\$64.1)	\$53.3	(\$63.7)	(\$47.3)	(\$21.2)	\$27.9	\$109.4	\$322.3	\$132.5	\$162.2	\$168.9	\$146.5	\$142.9	\$113.4	\$1,255.2
NON-OPERATING CASH FLOW																			
[13] Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14] Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15] Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	96.0
[16] Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17] Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	10.9
[18] KERP / KERP	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19] Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related	\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22] Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.6	\$3.8	\$4.2	\$4.7	\$4.9	\$4.8	\$4.5	\$4.3	\$4.1	\$3.9	\$3.6	\$3.3	\$65.0
[23] Less: Financing Fees	10.3	0.0	0.0	0.0	8.6	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements	\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.6	\$3.8	\$4.2	\$11.7	\$4.9	\$4.8	\$4.5	\$4.3	\$4.1	\$3.9	\$3.6	\$3.3	\$91.1
[24] Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25] Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26] Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$104.2)	(\$108.7)	\$22.6	(\$83.5)	(\$63.2)	(\$53.1)	\$6.0	\$103.4	\$312.1	\$130.7	\$150.9	\$173.6	\$148.2	\$148.2	\$95.4	\$1,011.9
[27] Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28] Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$104.2)	(\$108.7)	\$22.6	(\$83.5)	(\$63.2)	(\$53.1)	\$6.0	\$103.4	\$312.1	\$130.7	\$150.9	\$173.6	\$148.2	\$148.2	\$95.4	\$1,123.8
[29] Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$117.4)	(\$22.6)	\$83.5	\$63.2	\$53.1	(\$6.0)	(\$103.4)	(\$312.1)	(\$130.7)	(\$150.9)	(\$173.6)	(\$148.2)	(\$148.2)	(\$95.4)	(\$1,208.8)
Net Cash Flow	\$206.1	\$6.6	\$32.7	(\$104.2)	(\$226.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30] Available Cash	296.5	297.7	330.4	226.2	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31] Net Availability	155.5	115.0	86.5	83.0	127.4	137.4	59.7	89.6	65.5	30.2	67.6	189.0	147.0	217.7	280.7	318.8	373.2	388.9	388.9
[32] Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$309.2	\$127.4	\$137.4	\$59.7	\$89.6	\$55.5	\$30.2	\$67.6	\$189.0	\$147.0	\$217.7	\$280.7	\$318.8	\$373.2	\$388.9	\$388.9
Memo: Wind-down Reserve Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS	74.1	64.3	87.0	79.0	68.4	143.0	68.4	85.4	83.2	105.6	140.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	978.9
Memo: GOB COGS	0.0	0.0	26.5	30.7	31.5	41.8	45.2	46.8	45.4	43.1	40.5	139.1	152.2	134.2	146.2	154.2	154.0	141.4	1,372.7
Memo: Borrowing Base	1,798.5	1,757.9	1,709.4	1,725.9	1,652.9	1,640.3	1,496.1	1,439.2	1,408.1	1,376.8	1,310.9	1,120.1	960.8	888.9	788.4	688.2	602.5	532.1	
Memo: Sr. DIP & TL Borrowings	1,642.9	1,642.9	1,642.9	1,642.9	1,525.5	1,502.9	1,436.4	1,349.6	1,352.7	1,346.6	1,243.3	931.2	800.5	649.6	476.0	327.8	179.5	84.1	
Memo: Jr DIP Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

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410 stores GOB 12/29

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 410 Go-Forward Stores, then GOB all stores 12/29

Month	October			November				December					January				February		Total
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																			
[1] Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$167.7	\$88.8	\$81.9	\$102.2	\$100.1	\$125.6	\$168.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,435.9
[2] Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	90.3	95.3	96.4	90.0	83.9	74.5	227.0	257.2	226.6	239.7	215.1	201.2	169.1	2,169.0
[3] Plus: PA Sales	2.5	11.1	4.9	2.3	0.0	6.1	9.3	7.7	6.4	6.7	6.2	6.3	8.8	7.1	6.7	5.4	6.6	6.2	115.1
[4] Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5] Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6] Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts	\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$284.1	\$216.2	\$210.4	\$223.1	\$215.1	\$230.8	\$427.7	\$305.0	\$274.6	\$287.3	\$264.7	\$248.7	\$216.2	\$4,312.4
OPERATING DISBURSEMENTS																			
[7] Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$86.1	\$91.5	\$98.8	\$76.5	\$71.9	\$80.7	\$48.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$697.6
[8] Occupancy	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	18.6
[9] Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.5	43.0	29.5	37.6	743.8
[10] Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11] GOB Rent	0.0	0.0	0.0	30.6	3.4	0.0	0.0	25.5	8.5	0.0	0.0	0.0	29.1	0.0	0.0	0.0	0.0	0.0	97.2
[11] GOB Adm'l Expenses	0.0	0.0	0.0	6.8	6.8	12.9	13.1	13.2	13.3	13.2	13.1	36.4	36.5	29.9	30.1	30.1	24.4	24.3	304.0
[11] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11] Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(10.6)	(10.6)	(9.4)	(9.4)	(9.4)	(9.4)	(26.1)	(24.6)	(24.6)	(24.6)	(24.6)	(24.6)	(24.8)	(244.2)
Total Operating Disbursements	\$80.9	\$151.7	\$163.3	\$246.2	\$236.1	\$223.5	\$254.6	\$231.4	\$214.8	\$163.9	\$112.2	\$104.4	\$146.9	\$90.7	\$100.6	\$106.3	\$100.6	\$98.0	\$2,826.2
[12] Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow	\$105.4	\$16.8	\$33.8	(\$78.7)	(\$49.7)	\$59.6	(\$39.5)	(\$22.0)	\$6.9	\$50.2	\$117.8	\$322.2	\$157.0	\$183.0	\$185.5	\$157.3	\$147.0	\$117.1	\$1,469.5
NON-OPERATING CASH FLOW																			
[13] Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14] Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15] Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16] Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17] Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	10.9
[18] KEIP / KERP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19] Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related	\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22] Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.6	\$3.7	\$4.2	\$4.6	\$4.7	\$4.6	\$4.3	\$4.1	\$3.9	\$3.5	\$3.2	\$2.9	\$62.6
[23] Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements	\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.6	\$3.7	\$4.2	\$11.6	\$4.7	\$4.6	\$4.3	\$4.1	\$3.9	\$3.5	\$3.2	\$2.9	\$88.7
[24] Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25] Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26] Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$99.0)	(\$94.4)	\$28.9	(\$59.3)	(\$38.0)	(\$24.8)	\$28.5	\$111.9	\$312.2	\$155.3	\$171.9	\$190.5	\$159.3	\$152.7	\$99.5	\$1,228.6
[27] Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28] Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$99.0)	(\$94.4)	\$28.9	(\$59.3)	(\$38.0)	(\$24.8)	\$28.5	\$111.9	\$312.2	\$155.3	\$171.9	\$190.5	\$159.3	\$152.7	\$99.5	\$1,340.5
[29] Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$136.9)	(\$28.9)	\$59.3	\$38.0	\$24.8	(\$28.5)	(\$111.9)	(\$312.2)	(\$155.3)	(\$171.9)	(\$190.5)	(\$159.3)	(\$152.7)	(\$99.5)	(\$1,425.5)
Net Cash Flow	\$206.1	\$6.6	\$32.7	(\$99.0)	(\$231.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30] Available Cash	296.5	297.7	330.4	231.3	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31] Net Availability	155.5	115.0	66.5	82.1	130.0	131.8	59.0	103.7	86.8	70.1	106.0	223.0	193.7	271.6	341.0	380.0	402.5	322.6	322.6
[32] Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$313.4	\$130.0	\$131.8	\$59.0	\$103.7	\$86.8	\$70.1	\$106.0	\$223.0	\$193.7	\$271.6	\$341.0	\$380.0	\$402.5	\$322.6	\$322.6
Memo: Wind-down Reserve Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS	74.1	64.3	67.0	79.0	58.2	119.1	58.2	72.6	71.1	89.2	119.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	872.1
Memo: GOB COGS	0.0	0.0	26.5	30.7	31.5	58.3	64.4	65.8	67.2	66.4	66.0	163.5	174.8	156.2	164.9	171.6	155.0	142.5	1,605.5
Memo: Borrowing Base	1,798.5	1,757.9	1,709.4	1,725.0	1,636.0	1,608.9	1,445.4	1,378.1	1,336.1	1,290.8	1,216.8	1,027.1	859.9	775.7	665.6	556.3	467.7	397.1	
Memo: Sr DIP & TL Borrowings	1,642.9	1,642.9	1,642.9	1,642.9	1,506.0	1,477.1	1,366.4	1,274.4	1,249.2	1,220.7	1,108.9	796.6	641.3	469.4	278.9	119.6	0.0	0.0	
Memo: Jr DIP Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

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359 stores GOB 12/29

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 359 Go-Forward Stores, then GOB all stores 12/29

Month	October			November				December					January				February		Total
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP	10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week	201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																			
[1] Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$148.0	\$79.8	\$73.9	\$82.2	\$91.5	\$113.8	\$153.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,353.6
[2] Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	102.6	111.3	112.2	106.9	100.4	91.5	228.1	252.2	220.0	229.8	202.6	183.1	153.2	2,196.7
[3] Plus: PA Sales	2.5	11.1	4.9	2.3	6.0	6.1	9.3	7.7	6.4	6.7	6.2	6.3	6.8	7.1	8.7	6.4	6.6	6.2	115.1
[4] Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5] Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6] Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts	\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$276.8	\$223.2	\$218.3	\$230.0	\$223.0	\$236.0	\$413.7	\$300.0	\$268.0	\$277.3	\$252.2	\$230.6	\$200.3	\$4,257.8
OPERATING DISBURSEMENTS																			
[7] Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$83.5	\$83.8	\$90.4	\$71.3	\$67.1	\$73.7	\$43.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$657.7
[8] Occupancy	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	18.6
[9] Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	29.5	37.6	743.8
[10] Other SG&A Disbursements	15.9	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11] GOB Rent	0.0	0.0	0.0	30.6	3.4	0.0	0.0	25.5	8.5	0.0	0.0	0.0	29.1	0.0	0.0	0.0	0.0	0.0	97.2
[11] GOB Add'l Expenses	0.0	0.0	0.0	6.8	6.8	15.0	15.4	15.4	15.5	15.5	15.4	36.7	36.7	30.2	30.2	30.3	22.4	22.3	314.7
[11] GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11] Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(12.6)	(12.6)	(11.2)	(11.2)	(11.2)	(11.2)	(26.4)	(24.7)	(24.7)	(24.7)	(24.7)	(24.9)	(24.9)	(256.3)
Total Operating Disbursements	\$80.9	\$151.7	\$163.3	\$243.5	\$228.5	\$215.2	\$249.7	\$227.2	\$208.3	\$160.3	\$112.8	\$104.4	\$147.0	\$90.8	\$100.7	\$106.3	\$98.5	\$95.8	\$2,784.9
[12] Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow	\$105.4	\$16.8	\$33.8	(\$76.1)	(\$42.1)	\$60.4	(\$27.5)	(\$9.9)	\$20.3	\$61.6	\$122.4	\$308.2	\$151.9	\$176.3	\$175.5	\$144.8	\$131.0	\$103.3	\$1,456.1
NON-OPERATING CASH FLOW																			
[13] Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14] Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15] Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16] Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17] Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	10.9
[18] KEIP / KERF	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19] Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20] PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21] Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related	\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22] Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.6	\$3.7	\$4.1	\$4.5	\$4.6	\$4.5	\$4.2	\$4.1	\$3.8	\$3.5	\$3.2	\$2.9	\$62.0
[23] Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements	\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.6	\$3.7	\$4.1	\$11.5	\$4.6	\$4.5	\$4.2	\$4.1	\$3.8	\$3.5	\$3.2	\$2.9	\$88.0
[24] Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25] Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26] Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$96.4)	(\$86.7)	\$29.8	(\$47.3)	(\$29.8)	(\$11.4)	\$39.9	\$116.5	\$298.3	\$150.3	\$165.3	\$180.6	\$146.9	\$136.7	\$85.7	\$1,215.9
[27] Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28] Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$96.4)	(\$86.7)	\$29.8	(\$47.3)	(\$29.8)	(\$11.4)	\$39.9	\$116.5	\$298.3	\$150.3	\$165.3	\$180.6	\$146.9	\$136.7	\$85.7	\$1,327.8
[29] Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$147.3)	(\$29.8)	\$47.3	\$25.8	\$11.4	(\$39.9)	(\$116.5)	(\$298.3)	(\$150.3)	(\$165.3)	(\$180.6)	(\$146.9)	(\$136.7)	(\$85.7)	(\$1,412.8)
Net Cash Flow	\$206.1	\$6.6	\$32.7	(\$96.4)	(\$234.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30] Available Cash	296.5	297.7	330.4	234.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31] Net Availability	155.5	115.0	66.5	81.6	135.6	131.1	67.6	119.4	111.0	98.8	137.2	241.1	208.2	279.5	341.1	370.7	384.5	312.6	312.6
[32] Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$315.6	\$135.6	\$131.1	\$67.6	\$119.4	\$111.0	\$98.8	\$137.2	\$241.1	\$208.2	\$279.5	\$341.1	\$370.7	\$384.5	\$312.6	\$312.6
Memo: Wind-down Reserve Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS	74.1	64.3	87.0	79.0	52.5	105.1	52.5	65.5	64.9	80.8	108.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	814.3
Memo: GOB COGS	0.0	0.0	26.5	30.7	31.5	66.7	74.0	75.3	78.1	78.2	79.2	166.2	175.2	156.2	161.7	166.9	140.8	129.7	1,636.8
Memo: Borrowing Base	1,798.5	1,757.9	1,709.4	1,724.5	1,631.3	1,597.0	1,430.8	1,358.4	1,311.4	1,259.2	1,181.1	997.6	831.7	747.4	639.4	532.7	451.6	388.2	
Memo: Sr. DIP & TL Borrowings	1,642.9	1,642.9	1,642.9	1,642.9	1,495.7	1,465.9	1,363.2	1,238.0	1,200.4	1,160.5	1,043.9	745.6	595.4	430.1	249.5	102.6	0.0	0.0	
Memo: J. DIP Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

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300 stores GOB 12/29

Project Blue - Cash Flow Forecast, Go-Forward Same-Store Sales of (15.0%) with 300 Go-Forward Stores, then GOB all stores 12/29

Month		October			November				December					January				February		Total
Week		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Weeks
Retail Week EoP		10/20/18	10/27/18	11/3/18	11/10/18	11/17/18	11/24/18	12/1/18	12/8/18	12/15/18	12/22/18	12/29/18	1/5/19	1/12/19	1/19/19	1/26/19	2/2/19	2/9/19	2/16/19	
Unique Week		201837	201838	201839	201840	201841	201842	201843	201844	201845	201846	201847	201848	201849	201850	201851	201852	201901	201902	1-18
CASH RECEIPTS																				
[1]	Normal Course Net Merchandise Receipts	\$133.1	\$111.6	\$151.0	\$94.4	\$111.2	\$123.9	\$66.3	\$63.0	\$78.8	\$78.4	\$97.2	\$130.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,239.6
[2]	Plus: GOB Sales Receipts	0.0	0.0	0.0	52.5	50.3	118.7	132.0	132.5	128.8	121.0	112.6	225.2	241.0	206.3	211.9	182.5	156.0	129.7	2,201.2
[3]	Plus: PA Sales	2.5	11.1	4.9	2.3	6.0	6.1	9.3	7.7	6.4	8.7	6.2	6.3	6.8	7.1	6.7	6.4	6.6	6.2	115.1
[4]	Plus: Other Cash Receipts	50.7	45.8	41.1	20.0	20.0	20.0	20.0	24.5	24.5	24.5	24.5	24.5	40.9	40.9	40.9	40.9	40.9	40.9	585.5
[5]	Plus: Non-Operating Receipts	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.3	0.0	0.0	6.8
[6]	Plus: TSA & CSA Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Receipts		\$186.3	\$168.5	\$197.0	\$169.2	\$187.6	\$268.7	\$230.3	\$227.6	\$238.5	\$230.5	\$240.5	\$388.5	\$288.8	\$254.3	\$259.5	\$232.1	\$203.5	\$176.8	\$4,148.2
OPERATING DISBURSEMENTS																				
[7]	Merchandise Vendors	\$21.0	\$71.1	\$52.0	\$79.6	\$73.4	\$79.1	\$63.4	\$59.7	\$62.9	\$37.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$599.8
[8]	Occupancy	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	18.6
[9]	Payroll, Taxes, and Benefits	44.0	27.8	65.2	31.1	59.7	31.4	72.8	39.3	62.7	33.2	42.1	31.2	39.3	27.2	26.6	43.0	29.5	37.6	743.8
[10]	Other SG&A Disbursements	15.0	52.9	46.1	95.7	79.1	89.7	101.6	89.6	57.8	77.6	65.1	61.5	65.3	57.0	67.3	56.6	70.2	59.6	1,208.7
[11]	GOB Rent	0.0	0.0	0.0	30.6	3.4	0.0	0.0	25.5	8.5	0.0	0.0	0.0	29.1	0.0	0.0	0.0	0.0	0.0	97.2
[11]	GOB Add'l Expenses	0.0	0.0	0.0	6.8	6.8	17.7	18.1	18.2	18.4	18.4	18.3	36.7	36.7	30.1	30.1	30.0	19.6	19.5	325.4
[11]	GOB Liquidator Fees	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
[11]	Less: GOB Store Level Expenses Add-Back	0.0	0.0	0.0	(5.5)	(5.5)	(15.8)	(15.8)	(14.0)	(14.0)	(14.0)	(14.0)	(26.7)	(24.6)	(24.6)	(24.6)	(24.6)	(24.7)	(24.7)	(273.0)
Total Operating Disbursements		\$80.9	\$151.7	\$163.3	\$239.7	\$218.1	\$203.5	\$241.4	\$219.7	\$197.6	\$154.0	\$112.9	\$104.1	\$147.2	\$90.9	\$100.7	\$106.3	\$95.9	\$93.2	\$2,721.0
[12]	Less: CapEx	0.0	0.0	0.0	1.7	1.2	1.1	1.1	1.1	1.4	1.0	0.9	1.1	1.1	0.9	1.2	1.1	1.1	1.1	16.8
Net Cash Flow		\$105.4	\$16.8	\$33.8	(\$72.2)	(\$31.7)	\$64.1	(\$12.1)	\$6.9	\$39.5	\$75.5	\$126.8	\$283.3	\$140.6	\$162.5	\$157.7	\$124.8	\$106.6	\$82.4	\$1,410.5
NON-OPERATING CASH FLOW																				
[13]	Utility Deposits	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9.2
[14]	Less: Professional Fees	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	0.0	15.9	0.0	0.0	0.0	23.5	58.8
[15]	Critical Vendor Payments	0.0	9.1	0.0	15.0	15.0	15.0	15.0	11.0	9.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	98.0
[16]	Insurance Payments	0.0	0.0	0.0	0.0	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6
[17]	Gift Card Redemptions	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	10.9
[18]	KEIP / KERF	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	12.6
[19]	Credit Card Holdbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[20]	PTO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	0.0	0.0	3.3	0.0	0.0	7.5
[21]	Post-Petition TSA/CSA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chapter 11 Related		\$0.0	\$9.1	\$0.0	\$16.2	\$31.8	\$26.8	\$16.2	\$12.2	\$27.6	\$10.1	\$1.2	\$5.4	\$6.3	\$15.9	\$0.0	\$3.3	\$0.0	\$23.5	\$205.6
[22]	Less: Cash Interest	\$0.9	\$1.1	\$1.1	\$4.1	\$4.1	\$3.9	\$3.5	\$3.6	\$4.1	\$4.5	\$4.5	\$4.4	\$4.1	\$4.0	\$3.7	\$3.4	\$3.2	\$3.0	\$61.3
[23]	Less: Financing Fees	10.3	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1
Total Other Non-Operating Disbursements		\$11.2	\$1.1	\$1.1	\$4.1	\$12.9	\$3.9	\$3.5	\$3.6	\$4.1	\$11.5	\$4.5	\$4.4	\$4.1	\$4.0	\$3.7	\$3.4	\$3.2	\$3.0	\$87.3
[24]	Unencumbered Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	8.9	8.9	8.9	8.9	53.4
[25]	Excess Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Sales		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$53.4
[26]	Net Cash Flow Before ABL Paydown, ex TL	\$94.2	\$6.6	\$32.7	(\$92.5)	(\$76.3)	\$33.5	(\$31.9)	(\$9.0)	\$7.8	\$53.9	\$121.1	\$273.5	\$139.1	\$151.6	\$162.8	\$126.9	\$112.3	\$64.8	\$1,171.0
[27]	Term Loan Draw	\$111.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$111.9
[28]	Net Cash Flow Before ABL Paydown, w/TL	\$206.1	\$6.6	\$32.7	(\$92.5)	(\$76.3)	\$33.5	(\$31.9)	(\$9.0)	\$7.8	\$53.9	\$121.1	\$273.5	\$139.1	\$151.6	\$162.8	\$126.9	\$112.3	\$64.8	\$1,282.9
[29]	Other Financing	\$0.0	\$0.0	\$0.0	\$0.0	(\$181.5)	(\$33.5)	\$31.9	\$9.0	(\$7.8)	(\$53.9)	(\$121.1)	(\$273.5)	(\$139.1)	(\$151.6)	(\$162.8)	(\$126.9)	(\$112.3)	(\$64.8)	(\$1,367.9)
Net Cash Flow		\$206.1	\$6.6	\$32.7	(\$92.5)	(\$237.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$85.0)
[30]	Available Cash	296.5	297.7	330.4	237.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[31]	Net Availability	155.5	115.0	66.5	80.9	144.4	134.4	83.2	144.7	148.3	141.0	179.2	265.1	224.6	284.3	333.1	348.7	374.7	314.8	314.8
[32]	Memo: Total Liquidity (Availability + Cash)	\$452.0	\$412.7	\$396.9	\$318.7	\$144.4	\$134.4	\$83.2	\$144.7	\$148.3	\$141.0	\$179.2	\$265.1	\$224.6	\$284.3	\$333.1	\$348.7	\$374.7	\$314.8	\$314.8
Memo: Wind-down Reserve Balance		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.9	\$17.8	\$26.7	\$35.6	\$44.5	\$53.4	\$53.4
Memo: Merchandise COGS		74.1	64.3	87.0	79.0	44.7	88.0	44.7	55.9	55.6	69.0	92.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	735.2
Memo: GOB COGS		0.0	26.5	30.7	31.5	77.3	86.3	87.8	92.2	93.2	95.4	167.2	172.8	152.6	154.1	157.2	119.7	110.5	1,655.1	
Memo: Borrowing Base		1,798.5	1,757.9	1,709.4	1,723.8	1,625.8	1,582.3	1,413.1	1,333.5	1,279.3	1,218.2	1,135.3	962.6	799.8	717.5	613.8	512.5	442.8	390.1	
Memo: Sr. DIP & TL Borrowings		1,642.9	1,642.9	1,642.9	1,642.9	1,481.4	1,447.9	1,329.8	1,188.8	1,131.1	1,077.2	956.1	682.6	543.5	391.9	229.1	102.1	0.0	0.0	
Memo: Jr DIP Borrowings		0.0	0.0	0.0	0.0	0.0	0.0	150.0	300.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	

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Tax Update

Overview of Sears' Tax Attributes*

(all amounts are approximations)

- As of February 3, 2018:

- Consolidated federal net operating losses (NOLs): \$5.0 billion
 - Amount does not reflect any FY2018 losses or deferred interest deductions (IRC Section 163(j)).
- Consolidated federal tax credits: \$900 million (most of which is foreign tax credits)
 - Tax basis in assets: \$6.3 billion (includes current assets,** but excludes intercompany debt and US subsidiary stock basis)
- Determining the stock basis and the status of the intercompany accounts for tax purposes is critical to understanding the potential tax consequences – both good and bad – of a sale of the assets of the company.
 - This is a substantial task Deloitte has been pursuing for only a few weeks and still has a lot of work to do, as described on the next slide.
- As will be discussed, any acquisition of the tax attributes – whether in a stock acquisition under a Chapter 11 plan or pursuant to a BC Section 363 sale (in combination with a plan) – will be subject to reduction and limitation under the cancellation of debt (“COD”) and change in ownership rules.

* Based on information provided by the company and tax returns, as filed. Amounts are subject to material change. Slides prepared in conjunction with Deloitte.

** Includes inventory of \$2.4 billion and cash of \$460 million.

Critical Tax Work Streams (Deloitte Tax/Weil)

- Development and refinement of amount of tax attributes
- Complexity of structure requires significant analysis
 - NOLs in multiple entities
 - Sears Holdings Corporation; Sears, Roebuck and Co; Kmart Corporation; Sears Holdings Management Corporation; and others
 - Debt and COD in multiple locations
 - Debtors: Sears Holdings Corporation; Sears, Roebuck and Co; Sears Roebuck Acceptance Corp.; Sears Reinsurance Company Ltd.
 - Intercompany debt account balances and settlement
- Work Streams
 - Assist in evaluating bidder/stalking horse proposals and tax consequences
 - Tax basis in both assets and stock by entity
 - Resolution of complex intercompany debt structure
 - NOL, COD, and attribute reduction by entity
 - Assist with development of Chapter 11 plan structures

Reduction of Tax Attributes for Cancellation of Debt

- For any corporation in bankruptcy (for which COD is incurred pursuant to a court order or confirmed plan), any COD is excluded from taxable income but the corporation's tax attributes (including NOLs) must be reduced by the amount of the excluded COD income.
 - Within a consolidated group, the tax attributes of other group members are also subject to reduction.
- Remaining tax attributes are then subject to limitation or further reduction under the IRC Section 382 change in ownership rules, assuming that Sears or its successor undergoes a 50% ownership change.
- Example: Based on an illustrative enterprise value of \$1.5 billion (net of working capital) and third party debt of approx. [\$5.5 billion], there would be \$4.0 billion of COD, all excluded in the Chapter 11 case but resulting in attribute reduction. Following the reduction, the following “excess” tax attributes on a group wide basis would remain (subject to change in ownership limitations):*
 - Consolidated NOLs: \$1.0 billion, plus FY2018 losses
 - Consolidated tax credits: \$900 million**
 - Tax basis in assets (in excess of value):*** \$1.8 billion (i.e., \$6.3 billion of tax basis

less \$4.5 billion of gross asset value)

* Actual results may vary materially because of the location of NOLs and COD income among members of the Sears group.

** Foreign tax credits potential utility depends on various factors.

*** Assumes current assets valued at around \$3 billion (book value), which does not include intercompany debt and US subsidiary stock basis. Assets with “excess” basis are to be determined.

If Section 382(l)(5) Applies: “Haircut” but No Annual Limitation

- Only available if pre-change shareholders and qualified creditors receive 50% or more of the reorganized company or its tax successor.
- A qualified creditor is any creditor holding “qualified” debt. Qualified debt generally is:
 - Debt outstanding since at least 18 months before the petition date, and continuously held since then by the same creditor;
 - Debt incurred in the debtor’s ordinary course of business (such as trade debt), and continuously held by the same creditor; and
 - The above types of debt, except that the debt has traded and the creditor ends up with less than 5% (by value) of the stock of the reorganized equity.
- NOLs and likely any deferred interest deductions are reduced by the amount of interest deductions taken over the past 3-4 years with respect to the debt converted into stock.
 - If all debt were converted into stock, the combined NOL and likely deferred interest reduction potentially could be in the range of \$1.0 billion (but is subject to continuing analysis) – significantly reducing NOLs. Also, not all debt may be converted. Tax Credits would be preserved. (Tax basis may be valuable without regard to Section 382(l)(5) qualification.)
- If a second ownership change occurs within 2 years of emergence, the annual limitation is zero (meaning any remaining NOL is generally of no further value thereafter).
 - Typically, the reorganized company’s charter will restrict stock transfers to reduce this risk.

Section 382(l)(6) Annual Limitation: In General

- Section 382(l)(6) annual limitation applies if the debtor does not qualify for Section 382(l)(5) or if the debtor elects out of Section 382(l)(5).
- Annual limitation on the use of the remaining NOLs and tax credits (*i.e.*, remaining after COD reduction) is generally equal to:
 - (i) the long-term tax-exempt rate (currently, 2.43%) times
 - (ii) the lesser of (a) post-reorganization equity value and (b) pre-transaction gross asset value

This can be increased, for the first 5 years after emergence, by the portion of the debtors' net unrealized built-in gain (NUBIG) actually or deemed recognized during such period; however, current indications are that this adjustment would not be material.

- A significant portion of the excess tax basis may not be subject to the annual limitation.
- Can enhance basic annual limitation by increasing the post-reorganization equity value of reorganized company, such as by merging with a third party or by other new investment as part of the Chapter 11 plan.
- If creditors receive at least half of the reorganized company's equity so as to potentially qualify under Section 382(l)(5), the decision whether to apply Section 382(l)(5) does not have to be made until the filing of the tax return for the taxable year of emergence.

Potential Monetization Structures

- Chapter 11 plan structure vs. BC Section 363 sale: General overview
 - In the context of a Chapter 11 plan, the existing debtors can be restructured (leaving the existing tax group intact, if desired), such that a new party alone or together with existing stakeholders can acquire the stock of the reorganized debtor group.
 - In such event, the tax attributes are indirectly acquired along with the assets of the restructured debtors.
 - A Chapter 11 plan structure for the entire company presents the least tax consequences, and puts less pressure on a refined understanding of intercompany debt and stock basis.
 - A 363 sale involves the acquisition of some or all of the debtor's assets by the bidder, which can be a creditor or group of creditors in whole or in part as a credit bid.
 - 363 sales can be effected on a group-wide basis or an entity-by-entity basis
 - As discussed below, a transfer of assets through a 363 sale can, under certain circumstances, qualify as a "tax" reorganization in which the tax attributes of the debtor travel with its assets, but with increased complexities and potential tax costs – due in part to the transfer of the tax attributes on the asset sale closing date even though there may be material taxable income incurred for the debtor/seller group after the transfer from the wind-up of the debtors.
 - Looming possible impediment: There may be risk that the wind up could trigger existing deferred gains relating to intercompany stock transfers, and any "excess loss accounts" if determined to exist.

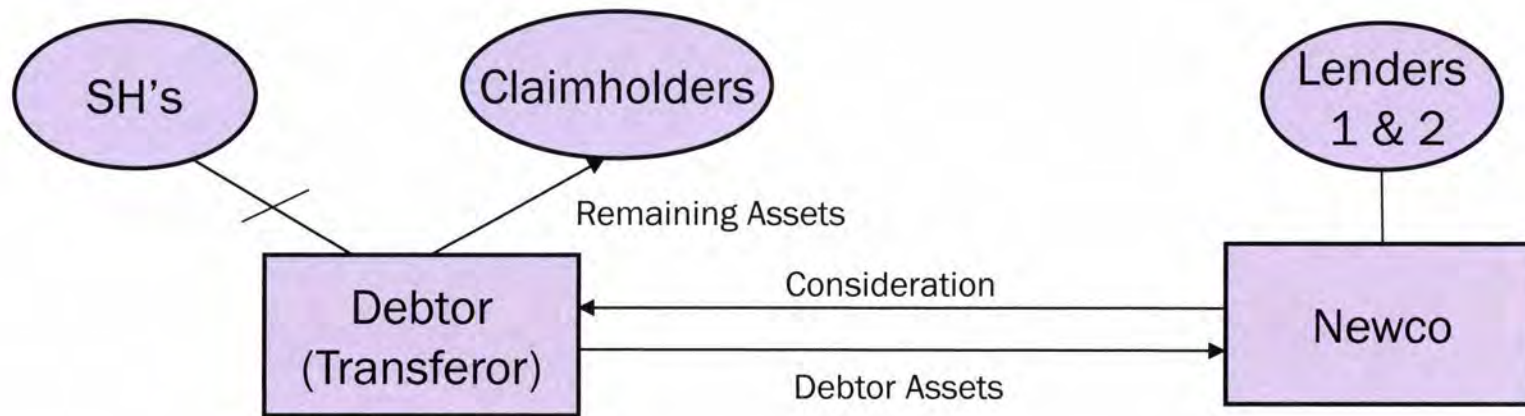
Potential Chapter 11 Plan Examples

- Stock of Sears Holdings acquired by an existing creditor or group of creditors, alone or together with a new third party cash investment (with cash distributed to creditors):
 - Potentially qualifies for Section 382(l)(5): If so, there would be no limitation on the use of the tax attributes (including NOLs) so long as no subsequent ownership change occurs within 2 years, but NOLs and likely deferred interest deductions reduced by up to \$1 billion, depending on amount of converted debt – leaving current year losses and preserving tax credits.
 - If annual limitation applies, Section 382(l)(6): At most, assuming up to a \$1.5 billion equity value (depending on capital structure), an annual limitation of up to approx. \$36 million / year, at 21%+ tax rate, on losses and credits.
 - In either instance, a substantial portion of excess tax basis would likely be available without limitation.
- Stock of Sears Holdings acquired in a business combination with a third party, such as a merger with a third party or the contribution of the third party's business for the reorganized equity of Sears:
 - Such a plan is unlikely to qualify under Section 382(l)(5).
 - If annual limitation applies, Section 382(l)(6): If third party infuses a business sufficient to bring the reorganized equity value up to the pre-change gross asset value of approx. \$4.5 billion (assuming no separate sales of business), the annual limitation could be up to approx. \$110 million / year, at 21%+ tax rate, on losses and credits.
 - The business combination effectively enhances the annual limitation by increasing the post-reorganization equity value to the extent permitted under regulations.
- Debtor-by debtor acquisitions:
 - Select members of the Sears group could be acquired by creditors based on a refined understanding of where the tax attributes are located within the group.
 - In effect, the tax attributes and the above consequences could be divided up on an entity by entity basis; however, this may pose additional tax costs associated with subsidiary stock basis and treatment of intercompany accounts.

Potential 363 Sales as Tax Reorganizations

- A BC Section 363 sale of a corporate debtor's assets for a mix of acquirer stock and other consideration can potentially qualify (in whole or in part) for tax reorganization treatment. *To the extent it does, an acquiror may be able to achieve similar tax results as those described above under a Chapter 11 plan.*
- To qualify for tax reorganization treatment –
 - The sale of assets and subsequent distribution to creditors/shareholders of the sale proceeds must be pursuant to a single plan and arrangement for tax purposes.
 - The sales agreement would constitute such plan (and would so provide) and generally would require that the “liquidation” of the seller corporation be completed from a tax perspective within a specified period (whether under a Chapter 11 plan or otherwise).
 - In addition, qualification as a tax reorganization depends on the composition of the ultimate distribution of consideration to creditors/shareholders under the plan (stock vs. non-stock), as well as the satisfaction of certain other requirements.
 - Whether these various requirements could be satisfied depends on the facts and circumstances of the particular transaction, and becomes more complex in a multi-tier structure (as we have here).
- As previously indicated, however, there potentially could be significant tax costs not present in a Chapter 11 restructuring of the existing group.

BC Section 363 Exchange: Tax Reorganization Example



Letter Ruling 201025018 illustrates a BC Section 363 exchange that included the following steps:

- Debtor is in bankruptcy.
- Debtor transferred the Company Assets, excluding the Unwanted Assets, to Newco in exchange for (i) common stock of Newco; (ii) the Instrument; (iii) credit bids of certain loans; (iv) the assumption by Newco of certain liabilities; and (v) Newco Series A Warrants (the “Exchange”).
- Debtor attempted to sell or wind down the Unwanted Assets, and noted that it may sell the Newco common stock and Newco Series A Warrants that it received in the Exchange.
- Debtor then planned to liquidate, distributing its remaining assets to Debtor’s claimholders.
- The IRS ruled that the Exchange and Debtor liquidation constituted a tax reorganization – as a result Newco acquired the tax attributes of the Debtor (after reduction for COD and subject to the change in ownership limitations of Section 382).

Can't Sell it, Can Still Preserve it

- What do you do when you have sold most or substantially all of your assets, but there are still substantial tax attribute remaining that couldn't be sold? Sometimes you can still preserve them for your stakeholders.
- There are variations to this. But in the best circumstances, one or more businesses are retained, and then reorganize and distribute Sears Holdings to the creditors and/or shareholders.
- Under any of these variations, the tax attributes are principally of speculative value.
- Availability of tax attributes –
 - May qualify under Section 382(l)(5): If so, the reorganized company would retain for future any remaining NOLs (after the reduction for COD and the "haircut").
 - This would include any additional tax losses due to the sale of assets that had "excess" tax basis.
 - Must retain more than an insignificant active trade or business.
 - Under certain circumstance, need not qualify for Section 382(l)(5):
 - If substantial tax losses are incurred from the sale of other assets, and a Chapter 11 plan can be implemented sufficiently early in the same taxable year, a portion of the tax losses might be allocated to the post-Effective Date portion of the tax year without limitation, thereby avoiding the Section 382 annual limitation as to that portion of the losses.
 - Should try to avoid triggering any income relating to stock basis and intercompany debt issues

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DIP Financing Overview

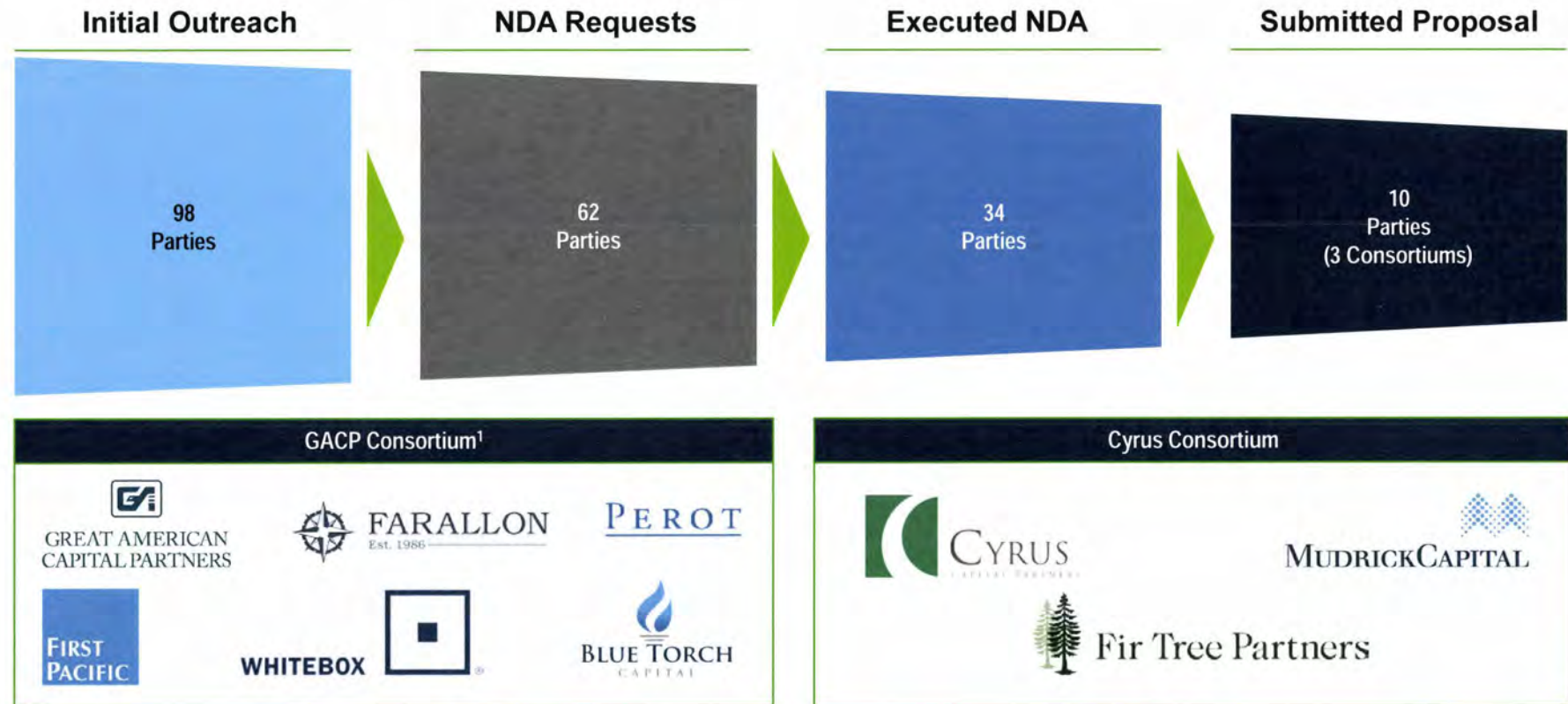
DIP Financing Overview

- The (a) final hearing for the DIP ABL and (b) interim hearing for the Junior DIP is currently noticed for November 27th at 1:30 pm (ET). The Company continues to finalize proposals and socialize such proposals with key stakeholders—including the DIP ABL Lenders and the Unsecured Creditors Committee.
- The Junior DIP process continues to be rigorous and exhaustive; Lazard has contacted almost 100 parties in interest, eventually executing approximately 35 NDAs, and sending incremental DIP process letters to approximately 25 parties.
 - To date, the following parties have submitted indicative proposals:
 - ESL: \$350mm proposal (interest rescinded on 11/4)
 - EFO: \$450mm proposal (interest rescinded on 11/7)
 - Cyrus-led consortium: \$375mm proposal
 - Great American Capital led consortium:
 - (a) \$450mm proposal—later revised to a \$350mm proposal, and
 - (b) \$600mm proposal
- Although the Company continues to consider all available options, they have narrowed their focus to the Great American Capital \$350mm proposal and the Cyrus-led \$375mm proposal. Both parties continue to conduct diligence and exchange term sheets with the Company's advisors. The Company has shared the draft term sheets with the DIP ABL Lenders and the Unsecured Creditors Committee.
- The Company and its advisors continue to work around-the-clock responding to diligence requests, responding to inquiries, and turning mark-ups in a productive and swift manner.
- As of Friday, November 9, the Company has narrowed issues, particularly with respect to the Great American Capital \$350mm proposal.

Junior DIP: Process Summary

Lazard conducted initial discussions with 97 potential Junior DIP financing providers, ultimately receiving conforming term sheets from two consortiums led by Great American Capital Partners (“GACP”) and Cyrus Capital Partners (“Cyrus”).

- Also received one non-conforming proposal from EFO Financial
- See Appendix for detailed contact log



1. Additional parties including PIMCO, Silverpoint and Apollo may join GACP consortium.

Junior DIP: Key Terms

The following summarizes the latest terms of the GACP and Cyrus proposals

- Key business points in GACP proposal are generally agreed; Cyrus economics, collateral package and milestones subject to further negotiation, as outlined in the Appendix.

	GACP (11/9/2018)	Cyrus Proposal (11/8/2018)
Lenders	<ul style="list-style-type: none"> GA Capital and certain other institutions 	<ul style="list-style-type: none"> Cyrus, Mudrick, [Fir Tree]
Terms	<ul style="list-style-type: none"> \$350 million term loan Assumes ABL DIP commitment size and structure remains consistent with structure approved on an interim basis L+11.50% 	<ul style="list-style-type: none"> \$375 million term loan Contemplates reduction of ABL DIP to \$225 million incremental commitment L+12.00%
Duration	<ul style="list-style-type: none"> Earlier of 8 months with a 4 month extension option, or the Maturity Date of ABL DIP 	<ul style="list-style-type: none"> Earlier of 7 months, with a 3-month extension option, and a second 3-month extension option; or the Maturity Date of the ABL DIP
Fees	<ul style="list-style-type: none"> Closing Fee: 3.00% on interim and remainder at final approval Undrawn Fee: 0.75% Agent Monitoring Fee: \$200,000 Extension Fee: 1.25% with payment at maturity 	<ul style="list-style-type: none"> Upfront Fee: 3.00% on interim and remainder at final approval OID: 1.00% Undrawn Fee: 0.75% Extension Fees: 1.50% Prepayment Fee: 2.50% prior to March 15 Agency Fee: \$50,000
Priority	<ul style="list-style-type: none"> Junior lien on ABL collateral behind all first and second lien prepetition debt Junior lien behind ABL DIP on all previously unencumbered assets (except specified assets) Senior lien on specified assets <i>pari passu</i> with ABL DIP Junior lien behind ABL DIP and prepetition liens on previously encumbered assets 	<ul style="list-style-type: none"> Senior lien on all previously unencumbered assets Junior lien on all previously encumbered assets, behind ABL DIP, except on IP/GL collateral where lien is senior to DIP ABL Equity pledge of Sparrow Entity
Funding	<ul style="list-style-type: none"> Multiple draw term loan facility Initial funding \$150 million; subsequent draws to occur when Debtor's available cash is less than \$50 million 	<ul style="list-style-type: none"> Multiple draw term loan facility Initial funding of \$175 million; minimum draws of \$50 million thereafter, up to \$200 million
Winddown Reserve	<ul style="list-style-type: none"> \$200 million to be funded from first proceeds from previously unencumbered assets and any excess proceeds from the sale of any encumbered assets 	<ul style="list-style-type: none"> \$200 million to be funded from first proceeds from previously unencumbered assets and any excess proceeds from the sale of any encumbered assets

Note: Summary includes key business points; not comprehensive.

Junior DIP: Key Terms (cont'd)

The following summarizes the latest terms of the GACP and Cyrus proposals

	GACP Proposal (11/9/2018)	Cyrus Proposal (11/8/2018)
Store Maintenance Reserve	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Cash reserve of \$[TBD] million created upon close from proceeds of Junior DIP to be held until such time as certain stores constituting DIP collateral have been sold
Credit Bidding	<ul style="list-style-type: none"> Customary rights for junior creditors 	<ul style="list-style-type: none"> Can credit bid to the extent the Winddown Reserve is fully funded
Milestones	<ul style="list-style-type: none"> Final Order to be entered no later than December 28, 2018; Final Closing Date to occur no later than January 5, 2018 Other milestones same as ABL DIP 	<ul style="list-style-type: none"> Approval of DIP by December 20, 2018 Other milestones same as ABL DIP with additional requirement to demonstrate plan of asset disposition by December 1, 2018 Asset sale disposition plan milestone subject to further negotiation
Covenants	<ul style="list-style-type: none"> Compliance with the Approved Budget, subject to permitted variances 	<ul style="list-style-type: none"> Compliance with the Approved Budget, subject to permitted variances
Other	<ul style="list-style-type: none"> Retention of liquidation consultants and retail liquidation firm acceptable to the DIP agent 	<ul style="list-style-type: none"> No marketing of Junior DIP, subject to fiduciary out for inbound proposals

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KERP / KEIP

KERP Structure

- The KERP is a 12 months plan designed to retain key associates through the process of reorganization. Unlike the KEIP, the KERP is payable based on remaining in role throughout the duration of the 12 month period
- Total Budget: \$17 million
- Participants: 331 (4.1%) “critical associates” identified by executive leadership from an initial submission of 900 nominees out of 8000 total eligible associates
- Payment Structure*:
 - The full target award is set as a percent of base salary, ranging from 30-40% of annual salary
 - As designed, the maximum amount payable to any individual under the KERP will be no more than \$150,000
 - Payment Frequency**:
 - 25% of target payable after 3 months from initial filing
 - 25% of target payable after 6 months from initial filing
 - 25% of target payable after 9 months from initial filing
 - 25% of target payable after 12 months from initial filing
- The Restructuring Committee, upon the recommendation of the Chief Restructuring Officer and the Office of the CEO, may reallocate any remaining amounts of the KERP Award Pool as one-time cash retention payments to a KERP Participant or to an employee in good standing who is not a KERP Participant.

*KERP Award will be subject to the KERP Participants executing a wavier of severance

**All KERP Payments shall be subject to the Clawback period (October 15, 2018 – October 15, 2019)

KEIP Structure

- The KEIP is a 12 months plan with Quarterly payment opportunities, subject to claw back if participants voluntarily leave the company (sooner of one year from filing or effective date of emergence plan)
- Total Maximum Cost of the KEIP shall be no more than \$8.0 million
 - KEIP 1: Months 1-6 from filing
 - Represents 50% of the total KEIP budget: \$4.0 million
 - Incentive payable IF SHC *exceeds* Net Operating Cash Flow against the DIP budget, as follows:
 - Below 110% of budget = 0 Payment
 - 110% of budget = 50% of Target Incentive
 - 115% of budget = 85% of Target Incentive
 - 120% of budget = 100% of Target Incentive
 - KEIP 2: 6-12 months from initial filing
 - Court approval will be sought for an additional \$4.0 million
 - The performance metrics may be the same; net operating cash flow, or we may contemplate different targets, providing us motivational flexibility as we clearly identify necessary outcomes.

*KEIP Award will be subject to the KEIP Participants executing a waiver of severance

**All KEIP Payments shall be subject to the Clawback period (October 15, 2018 – October 15, 2019)

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Proposed KEIP Roster: 2016 -2018 Compensation History and Total Target Compensation

KEIP Roster	Base Date	2016 *					2017 **					2018 ***			
		Base Salary	AIP Target \$	LTIP Target \$	Total Target Compensation	Total Delivered Compensation	Base Salary	Target AIP \$	Target LTIP \$	Total Target Comp	Total Delivered Compensation	Base Salary	Target AIP \$	Target LTIP \$	Total Target Comp
1	06/18/2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$450,000	\$450,000	\$1,500,000
2	09/22/2018	\$375,000	\$187,500	\$187,500	\$750,000	\$406,425	\$375,000	\$187,500	\$187,500	\$750,000	\$468,750	\$500,000	\$375,000	\$187,500	\$1,062,500
3	11/07/2017	\$0	\$0	\$0	\$0	\$0	\$750,000	\$1,500,000	\$0	\$2,250,000	\$113,636	\$750,000	\$1,500,000	N/A	\$2,250,000
4	09/17/2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$300,000	\$300,000	\$1,000,000
5	10/22/2017	\$0	\$0	\$0	\$0	\$0	\$600,000	\$600,000	\$450,000	\$1,650,000	\$114,583	\$600,000	\$450,000	\$450,000	\$1,500,000
6	05/01/2017	\$600,000	\$450,000	\$450,000	\$1,500,000	\$915,172	\$700,000	\$700,000	\$525,000	\$1,925,000	\$904,498	\$700,000	\$525,000	\$525,000	\$1,750,000
7	03/06/2017	\$0	\$0	\$0	\$0	\$0	\$550,000	\$550,000	\$550,000	\$1,650,000	\$759,649	\$550,000	\$550,000	\$550,000	\$1,650,000
8	02/04/2013	\$475,000	\$332,500	\$475,000	\$1,282,500	\$755,637	\$475,000	\$356,250	\$475,000	\$1,306,250	\$630,325	\$475,000	\$332,500	\$332,500	\$1,140,000
9	04/21/2017	\$500,000	\$375,000	\$250,000	\$1,125,000	\$731,875	\$650,000	\$650,000	\$650,000	\$1,950,000	\$899,477	\$650,000	\$650,000	\$650,000	\$1,950,000
10	02/05/2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$375,000	\$375,000	\$1,250,000
11	04/25/2017	\$350,000	\$262,500	\$175,000	\$787,500	\$367,500	\$425,000	\$425,000	\$318,750	\$1,168,750	\$453,264	\$425,000	\$318,750	\$318,750	\$1,062,500
12	03/01/2012	\$420,000	\$315,000	\$315,000	\$1,050,000	\$540,750	\$420,000	\$315,000	\$420,000	\$1,155,000	\$560,752	\$420,000	\$315,000	\$315,000	\$1,050,000
13	10/01/2018	\$300,000	\$150,000	\$150,000	\$600,000	\$345,000	\$340,000	\$255,000	\$170,000	\$765,000	\$360,722	\$425,000	\$318,750	\$318,750	\$1,062,500
14	10/01/2018	\$250,000	\$125,000	\$125,000	\$500,000	\$353,858	\$285,000	\$142,500	\$142,500	\$570,000	\$394,831	\$340,000	\$255,000	\$255,000	\$850,000
15	06/04/2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633,000	\$474,750	\$474,750	\$1,582,500
16	09/10/2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$525,000	\$393,750	\$393,750	\$1,312,500
17	01/03/2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$375,000	\$375,000	\$1,250,000
18	09/01/2016	\$0	\$0	\$0	\$0	\$280,000	\$450,000	\$450,000	\$225,000	\$1,125,000	\$769,710	\$450,000	\$450,000	\$225,000	\$1,125,000
		\$3,270,000	\$2,197,500	\$2,127,500	\$7,595,000	\$4,696,217	\$6,020,000	\$6,131,250	\$4,113,750	\$16,265,000	\$6,430,197	\$9,443,000	\$8,408,500	\$6,496,000	\$24,347,500

* Exec 18 started in 2016

** Execs 3, 5, & 7 started in 2017

*** Execs 1, 4, 10, 15, 16, & 17 started in 2018

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Proposed KEIP Roster: 2016 -2018 Compensation History and Total Target Compensation (cont'd)

KEIP Roster	2018 Base Salary	2018 Target AIP \$	2018 Target LTIP \$	2018 Total Target Comp	PROPOSED Base Salary	Change	Proposed KEIP as % of Base Salary	Proposed KEIP \$	Proposed Total Target Cash with KEIP
1	\$600,000	\$450,000	\$450,000	\$1,500,000	\$600,000	\$0	75%	\$450,000	\$1,050,000
2	\$500,000	\$375,000	\$187,500	\$1,062,500	\$500,000	\$0	75%	\$375,000	\$875,000
3	\$750,000	\$1,500,000	N/A	\$2,250,000	\$750,000	\$0	100%	\$750,000	\$1,500,000
4	\$400,000	\$300,000	\$300,000	\$1,000,000	\$400,000	\$0	75%	\$300,000	\$700,000
5	\$600,000	\$450,000	\$450,000	\$1,500,000	\$975,000	\$375,000	100%	\$975,000	\$1,950,000
6	\$700,000	\$525,000	\$525,000	\$1,750,000	\$975,000	\$275,000	50%	\$487,500	\$1,462,500
7	\$550,000	\$550,000	\$550,000	\$1,650,000	\$550,000	\$0	100%	\$550,000	\$1,100,000
8	\$475,000	\$332,500	\$332,500	\$1,140,000	\$500,000	\$25,000	100%	\$500,000	\$1,000,000
9	\$650,000	\$650,000	\$650,000	\$1,950,000	\$975,000	\$325,000	100%	\$975,000	\$1,950,000
10	\$500,000	\$375,000	\$375,000	\$1,250,000	\$500,000	\$0	75%	\$375,000	\$875,000
11	\$425,000	\$318,750	\$318,750	\$1,062,500	\$500,000	\$75,000	75%	\$375,000	\$875,000
12	\$420,000	\$315,000	\$315,000	\$1,050,000	\$450,000	\$30,000	75%	\$337,500	\$787,500
13	\$425,000	\$318,750	\$318,750	\$1,062,500	\$425,000	\$0	75%	\$318,750	\$743,750
14	\$340,000	\$255,000	\$255,000	\$850,000	\$375,000	\$35,000	75%	\$281,250	\$656,250
15	\$633,000	\$474,750	\$474,750	\$1,582,500	\$633,000	\$0	40%	\$253,200	\$886,200
16	\$525,000	\$393,750	\$393,750	\$1,312,500	\$525,000	\$0	40%	\$210,000	\$735,000
17	\$500,000	\$375,000	\$375,000	\$1,250,000	\$500,000	\$0	75%	\$375,000	\$875,000
18	\$450,000	\$450,000	\$225,000	\$1,125,000	\$450,000	\$0	40%	\$180,000	\$630,000
	\$9,443,000	\$8,408,500	\$6,496,000	\$24,347,500	\$10,583,000	\$1,140,000		\$8,068,200	\$18,651,200

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Chapter 11 Timeline

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NOT FOR DISTRIBUTION BEYOND MEETING PARTICIPANTS

Chapter 11 Timeline

October 2018

S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3
4	5	6	7	8	9	10

December 2018

S	M	T	W	T	F	S
25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

February 2019

S	M	T	W	T	F	S
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2
3	4	5	6	7	8	9

November 2018

S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1
2	3	4	5	6	7	8

January 2019

S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

March 2019

S	M	T	W	T	F	S
24	25	26	27	28	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

October 15	<ul style="list-style-type: none"> Chapter 11 filing File GOB Motion
October 17	<ul style="list-style-type: none"> Interim DIP Order approved
October 25	<ul style="list-style-type: none"> Hearing on GOB Motion
November 15	<ul style="list-style-type: none"> Second Day Hearing Secondary GOB Sales order approved SHIP, Global, and De Minimis Sale Procedures Hearing Hearing on MTN Sale Motion
November 27	<ul style="list-style-type: none"> Final Closing Date for DIP ABL Facility
November 27	<ul style="list-style-type: none"> Hearing on Final Order approving DIP ABL Facility and Final Cash Management Order
Late November	<ul style="list-style-type: none"> Begin Chapter 11 Plan Discussions
December 11	<ul style="list-style-type: none"> SHIP Bid Deadline
December 13	<ul style="list-style-type: none"> SHIP Auction (if applicable)
December 13	<ul style="list-style-type: none"> Deadline to File Schedules/SOFAs (if no extension) 341 Meeting of Creditors
December 15	<ul style="list-style-type: none"> Deadline to Deliver Committed Financing for NewCo Transaction
December 18	<ul style="list-style-type: none"> SHIP Sale Hearing
December 20	<ul style="list-style-type: none"> Omnibus Hearing Date
Late December	<ul style="list-style-type: none"> Target Date for Chapter 11 Plan Filing
January 2019	<ul style="list-style-type: none"> Target Disclosure Statement Hearing
Late January 2019	<ul style="list-style-type: none"> Deadline for Auction on NewCo
February 10, 2019	<ul style="list-style-type: none"> Deadline for Closing NewCo Transaction
February 11, 2019	<ul style="list-style-type: none"> End of Debtors' Initial Exclusive Period for Filing Plan (assuming no extension)
March 2019	<ul style="list-style-type: none"> Targeted Chapter 11 Plan Confirmation